



UMTSHEZI LOCAL MUNICIPALITY

2016/17 IDP

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UMTSHEZI VISION

“BY 2016
UMTSHEZI MUNICIPALITY
WILL BE THE CHAMPION OF A SUSTAINABLEGROWTH WITH AN AIM
OF BUILDING BETTER COMMUNITIES.”

MISSION STATEMENT

Umtshezi Municipality in partnership with other stakeholders is committed to:

- Provide an enabling economic and social development environment;
- Provide a robust plan for the vulnerable, including youth, physically challenged, gender and aged persons;
- Work co-operatively to unlock resources from other spheres of Government and the Private Sector;
- Continuously provide services in an equitable manner taking Batho Pele Principles into cognizance;
- Establish and maintain community networks that promote healthy engagements between the Municipality and other stakeholders;
- Strive to facilitate the provision of basic services; and
- Develop Umtshezi in a sustainable manner that does not compromise current and future generations.

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1 SECTION A: EXECUTIVE SUMMARY

1.1 UMTSHEZI LOCAL MUNICIPALITY (KZN234)

uMtshezi Local Municipality is located within the midlands in the South-Western quadrant of uThukela District Municipality and bordered in the north by Indaka and Emnambithi Local Municipalities, in the west by Okhahlamba and Imbabazane local municipalities, and in the south by Mpofana Local Municipality.



DEMOGRAPHIC PROFILE

Although the SDF has a clear spatial focus, it is critically important to locate it within the broader development profile of the Municipality. Essentially, this refers to a broad overview of the demographic, social economic trends, opportunities and challenges. Umtshezi Municipality population is estimated at 83154 individuals. This marks an increase from the situation in 2001. The majority of the population is African constituting 83.7% of the total population. The minority racial groups constitute 16.28% of the total. Population growth is expected to continue to grow albeit at a much slower rate compared to the last census decade. Areas such as Wembezi and Estcourt are likely to attract most of the population growth due to their strategic location.

WARDS AND TRADITIONAL AUTHORITY

Umtshezi municipality is the ward participative executive type. The municipality is made out of nine wards, and it is one of the five (5) Category B local municipalities comprising Uthukela District municipality. Although Umtshezi Municipality is predominantly rural in character, the majority of the population resides in urban areas and peri-urban settlements. Development intensity in terms of the number of households is acute in the urban areas of Estcourt and Wembezi. While each of these areas has experienced limited development over the last few years, expansive peri-urban settlements have developed in the outskirts of each of these areas. Some of these have been formalized as part of the housing delivery programme of the municipality. Umtshezi Municipality is one of the Municipality which is also govern by Amakhosi on the rural areas such as Emabhalonini. We have a representative of Amakhosi in our council which also form part in development structures within the municipality.

ECONOMIC PROFILE

A review of the socio-economic profile as presented in the IDP indicates the following as key characteristics of Umtshezi population:

- The majority of the population can be considered functionally illiterate as 70.5% of the population has a primary education and 18.8% have not been to school;
- Of the 13 961 households 3 777, representing 27% of households have no income. This correlates with the high levels of unemployment that stands at 33%.
- Very few individuals have an income above R3 500 to enable them to provide their own shelter. Clearly, the majority of the municipal population will depend on state support for shelter and other basic services. Statistics reveal that 27% of the households are surviving on less than R12 a day;
- Approximately 10% of the total working force in the Municipality is skilled. Only 18.3% of the workforce is professional. Trade and craft constitute 10% of the workforce. Wholesale and retail trade employs 1 857 (4.9%) while electricity, gas and water supply employ 4.2% of the population. While agriculture is considered a key economic sector, Statistics reveal that the sector employs 2.4% of the economically active population; and
- Using household income, employment profile and employment by sector, it is strikingly clear that Umtshezi Municipality has a relatively high rate of unemployment, is dominated by low income households and the majority of those who are employed are involved in elementary sectors. Agriculture, which is essentially a dominant land use accounts for a small number of existing jobs. It follows that the majority of the unemployed are in areas with high population concentration.

1.2 LONG TERM VISION

“By 2016 Umtshezi Municipality will be the champion of a sustainable growth with an aim of building better communities”

1.3 DEVELOPMENT OF THE IDP

A detailed Process Plan was prepared and developed towards the end of July 2012, which in essence served as the guide for preparing the IDP 2013-14. The Process Plan includes the following:

- Policy and Legislative requirements for preparing IDP's;
- A programme specifying the time frames for the different steps in preparation;
- Appropriate mechanisms, processes and procedures for consultation and participation of local communities, organs of state, traditional authorities, and other role players in the IDP drafting process;
- An indication of the organisational arrangements for the IDP process; and
- Mechanisms and procedures for vertical and horizontal alignment of the IDP

This Process Plan set out the main activities to be undertaken in the development of the IDP 2013/14 in order to meet the legislative and submission requirements before the start of the 2013/14 financial year on 01 July 2013. The following table provides an overview of the activities undertaken during the IDP preparation:-

Process Plan Activity Schedule

PHASE 1: ADOPTION AND SUBMISSION OF 2016/2017 IPD PROCESS PLAN

Activity No	Activity	Completion Date	Output	Responsible Entity
PHASE 1: ADOPTION AND SUBMISSION OF 2016/2017 IPD PROCESS PLAN				
1	Prepare draft 2014/15 IDP/Budget Process Plan	July 2015	Draft IDP/Budget Process Plans	ULM
2	Submit Draft Process Plan	July 2015	Submission	COGTA
3	Present final Process Plan to Council for adoption	August 2015	Approved IDP/Budget Process Plan	ULM/COUNCIL
4	Present SDBIP & Performance Agreements to Council	September 2015	Approved SDBIP & Performance Agreements	ULM/COUNCIL
5	Advertise the Final Process Plan	July 2015	Advertisement	ULM
6	Submission of final IDP Process Plan	August 2015	Submission	ULM
7	Closing date for comments of Final IDP Process Plan	August 2015	Public Participation	ULM/COGTA
8	Submission of final IDP Process Plan 2015/2016 to COGTA	March 2016	Submission	ULM/COGTA
9	Draft Annual Report 2014/15	January 2016	Submission	ULM/AG
10	Advertise Draft Annual Report 2014/15	February 2016	Public Comments	ULM

PHASE 2: PREPARE STATUS QUO

11	Planning Indaba/MEC Panel Feedback	September 2015	Feedback Session	ULM/COGTA
12	Collect Data to review Status Quo of Municipality	September 2015	Data for status quo	ULM,UDM
13	Meeting at UDM	November 2015	Meeting with UDM	ULM/UDM
14	Joint Steering Committee Meeting	September 2015	Consultation	ULM,ILM
15	Joint IDP Forum	September 2015	Consultation	ULM,ILM and Sector Depts

PHASE 3: REVIEW STRATEGIES

17	Review Municipal Strategies/Strategic plan	January 2016	Strategies	ULM
18	Community Satisfaction Survey	February 2016	Consultation	ULM
19	IDP Ward Committee Meetings	February 2016	Consultation	ULM/WARD COM
20	Meeting with CBOs (Community Based Organisations)	March 2016	Consultation	ULM/CBOs
21	Review Sector Plans	November 2015	Revised Sector Plans	ULM
22	Review Policies	November 2015	Revised Policies	ULM
23	IDP Task team to discuss progress	November 2015	Progress	ULM
24	Compile Projects	January 2016	Projects	ULM
25	Oversight Committee for Annual Report 2013/14	February 2016	Incorporate comments in Annual Report 2015/16	ULM,WARD COMM

PHASE 4: ADOPTION & SUBMISSION OF DRAFT 2016/2017 IDP TO COGTA

26	IDP Representative Forum	May 2016	IDP Rep Forum	ULM
27	Alignment of Budget & IDP		Aligned IDP & Budget	ULM
28	Meeting COGTA and municipalities on IDP assessment process 2015/2016	February 2016	Meeting	ULM/COGTA
29	IDP Task team to discuss progress on draft IDP	February 2016	Progress	ULM
30	Service Providers Forum(Sector Departments)	March 2016	Forum	ULM,UDM,COGTA, Sector Depts.
31	Adoption of Draft IDP by Council	March 2016	Adopted Draft IDP	ULM
32	Submission of Draft IDP 2015/2016	March 2016	Submission	ULM/COGTA
33	Advertise Draft IDP for Public Comments	March 2016	Advertisement	ULM
34	Final Annual Report 2013/14	Dec 2016	Submission	ULM/AG
35	Advertise Final Annual Report 2013/14	Dec 2016	Public Comments	ULM

PHASE 5: ASSESSMENT OF DRAFT 2015/2016 IDP'S

36	Assessment briefing & Orientation	March 2016	Briefing	ULM,COGTA, SECTOR DEPTS
37	Assessment Week	April 2016	Assessment	ULM,COGTA, SECTOR DEPTS
38	Present Draft IDP/Budget to the Community	April 2016	Izimbizo	ULM
39	Feedback Session	April 2016	Sessions	ULM,COGTA, SECTOR DEPTS

PHASE 6: ADOPTION & SUBMISSION OF 2016/17 IDP TO COGTA

40	Incorporate Public Comments into IDP	May 2016	Comments	ULM
41	Incorporate Comments from Assessment panel from COGTA	May 2016	Comments	ULM/COGTA
42	Address Comments from Auditor General on the Annual Report of the previous year.	May 2016	Comments	ULM,AG
43	IDP Task team to discuss progress	June 2016	Progress	ULM
44	Adoption of 2014/2015 IDP/Budget by Council	June 2016	Final IDP 2013/14	ULM
45	Advertisement of Adoption	.July 2016	Advertisement	ULM
46	Submission of adopted IDP/Budget to COGTA	July 2016	Submission	ULM
47	Submit SDBIP	July 2016	Submission	ULM
48	Submit Performance Agreements for Municipal Manager and Managers directly accountable to the MM	July 2016	Submission	ULM,COGTA
49	Submit Final Draft 2016/2017 Reviewed IDP Framework and process plans for comments	July 2016	Submission	ULM,COGTA

1.4 KEY CHALLENGES FACING THE MUNICIPALITY

MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Umtshezi Municipality does not have major challenges since there is a collective executive system combined with a ward participatory system. The Political structure of the municipality consists of the Mayor, the Deputy Mayor and the Speaker as full-time office bearers. In total there are 17 councillors (inclusive of office bearers), which constitutes the municipal Council. Out of 17 councillors, 9 councillors are ward councillors, and the other 8 are PR councillors. After the May 2011 Local Government Elections, Umtshezi was constituted by nine wards.

The municipality has an Executive Committee that comprises of 3 members, as per the political quota representation. There are also four sub – committees in which councilors serve and deliberate on matters to be submitted to EXCO and Council thereof. The committees are as follows:

- Infrastructure, Housing and Town Planning Committee, Rural development, Agrarian;
- IDP, Finance, Local Economic Development and Tourism Committee;
- Sports, Gender and Vulnerable Groups Committee, Health, Youth, Education, local Labour;
- Human Resources, Transformation and Safety / Security Committee;
- Peace and stability; and
- Local labour forum.

The Speaker and the Municipal Manager participate in functional IGR structures of the district. Frequent Sector Department meetings are held during the IDP Process.

SERVICE DELIVERY AND INFRASTRUCTURE

Umtshezi Municipality has identified the following Service Delivery and Infrastructure challenges:

- Lack of funding to address the existing backlogs (Roads Infrastructure, Community Facilities, Recreational Facilities and electricity.);
- Vandalism of infrastructure (breakages and theft);
- Ageing Infrastructure e.g. Landfill site, water pipes situated underneath our Roads Infrastructure causing a serious damage to the roads during leakages and Roads Infrastructure that have reached design capacity in terms of Life Span;
- Lack of Revenue Income to fund projects due to Non-payment of services, largely by indigents or very low debt collection rate due to unemployment;
- Insufficient funding of Operation and maintenance; and

- A large percentage of the employable population is unemployed resulting in indigents. This has a serious negative impact on the revenue income of the municipality.

Intervention:

The following Plant and Equipment were procured during the 2013/14 Financial in an attempt to address the above challenges:

- 1 x TLB-Bell Equipment
- 2 x pedestrian Rollers
- 1 x sit on Roller
- 1 x 6x4 truck tractor
- 1 x 40t low bed tri axle trailer
- 2 x 6 cube Tippers
- 1 x Excavator
- 1 x 10 cube Tippers
- 1 x 10 000liter Water Tanker
- 1 x 6x6 Grader
- 1 x 15 Ton Roller
- Twenty 4X2 vans
- Ten 4x4 vans

1.1.1 LOCAL ECONOMIC DEVELOPMENT

The following are some of the municipal local economic development key challenges:

- The municipality has not yet fully tapped into the strategic location on the N3 development corridor, this can provide more opportunities in the area;
- The municipality has not yet ensured optimum utilization of natural, cultural and historical assets for further economic growth;
- Vast space of Agricultural Land has not yet been fully utilised for primary and secondary production;
- Economic growth in terms of transport, storage and communication sectors have not been fully explored;
- There is still a need to improve recreational, medical, housing and schooling facilities;
- Major specific interventions to stimulate economic growth must b

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

The municipality does not have major challenges in terms of Municipal Viability and Management as per the plan contained in Section 3 of this document.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The municipality does not have major challenges in terms of Good Governance and Public Participation as per the plan contained in Section 3 of this document.

SPATIAL AND ENVIRONMENTAL

The following are some of the spatial and environmental key challenges:

- Spatial integration intended to address spatial fragmentation which separated the town into up-town and down-town;
- Land use integration as a means to address the coarse grain-land use pattern;
- Urban renewal programme, which may include infrastructure upgrade, redevelopment and refurbishment of buildings;
- CBD expansion including gateway developments at strategic points; and
- Strengthening spatial linkages with the neighbouring settlements such as Wembezi.

1.5 MUNICIPAL STRATEGY TO UNLOCK THE KEY CHALLENGES

The DC23 (Uthukela District Municipality) has formulated the following Inter Governmental Forums to ensure that the challenges are addressed:

Forum	Role
Finance Forum	The role of the forum is to provide a platform for the Five (5) Local Municipalities within the district to address challenges relating to Financial Management and other related matters.
General and Social Services Forum	The role of the forum is to provide a platform for the Five (5) Local Municipalities within the district to address challenges relating to Social Needs, e.g. Disaster Management, Sports, Gender, Youth and any other Social Services.
Technical and Infrastructure Forum	The role of the forum is to provide a platform for the Five (5) Local Municipalities within the district to address challenges relating to Technical and Infrastructure projects implementation.
Planning and Development Forum	The role of the forum is to provide a platform for the Five (5) Local Municipalities within the district to address challenges relating to Planning and Development challenges and to share expertise since this is a scarce skill.
Corporate Services Forum	The role of the forum is to provide a platform for the Five (5) Local Municipalities within the district to address challenges relating to Legal, Administration and Corporate matters.
Municipal Manager's Forum	The role of the forum is to provide a platform for the Municipal Managers of the Five (5) Local Municipalities within the district to address challenges and share experiences.
Speaker's Forum	The role of the forum is to provide a platform for the Speakers of the Five (5) Local Municipalities within the district to address challenges and share experiences.

Mayor's Forum	The role of the forum is to provide a platform for the Mayors of the Five (5) Local Municipalities within the district to address challenges and share experiences.
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Our municipality fully participate in these IGR Forums.

1.6 OUR EXPECTATIONS FROM THE DISTRICT (DC23), IN TERMS OUTPUTS, OUTCOMES AND DELIVERABLES, OVER THE NEXT (5) FIVE YEARS

The Municipality has pledged to the local community that it would endeavour to respond to their service delivery and infrastructure needs as far as possible bearing in mind the Municipality's limited financial and other resources. In collaboration with the public, the following capital projects have been prioritized over the next financial year and aligned to a 3-5 year Capital Investment Plan.

WARD NO	PROJECT 1	PROJECT 2	PROJECT 3	PROJECT 4	PROJECT 5	PROJECT 6	RESPONSIBILITY PERSON / SECTOR DPT.
1	Upgrade of Wagendrift Dam water pump station						Uthukela District Municipality
2	Wembezi D Water and Sanitation	Upgrading of the Bulk Infrastructure for the Wembezi C Phase3 Housing Development	Sewer reticulation for Wembezi C Phase One and Wembezi B.				Uthukela District Municipality
3	Sanitation Project confirmed	Mimosadale Phase Two Water and	Brynmbella Water and Sanitation	Kwamatshesi Water and	Engavuza Water and Sanitation	Intunda and Lowlands Water and	Uthukela District

	by UDM	Sanitation		Sanitation		Sanitation	Municipality
4	Sanitation Project – Thembalihle / confirmed by UDM	Emthweni Water and Sanitation	Haviland Water and Sanitation	Haviland Electricity - ESKOM	Esigodlweni Water and Sanitation	Esigodlweni Electricity - ESKOM	Uthukela District Municipality
5	Sanitation Project - Weenen confirmed by UDM	Ezitendeni Sanitation	Engodini, Vumbu and Gomba Water and Sanitation	Nhlawe and Madondo Water and Sanitation	Nontethe Water and Sanitation	Nkaseni and Nomoya Water and Sanitation	Uthukela District Municipality
8	Chievely, Frere and Rama Water and Sanitation	Cornfield Water and Sanitation					Uthukela District Municipality
7	Sanitation Project confirmed by UDM	Ephofini Water and Sanitation	Mbabane Water and Sanitation	Mgwama ma, Ezibindini and Mankonka Water and Sanitation	Madulaneni Water and Sanitation	Mhlumba and Kwanhliwe Water and Sanitation	Uthukela District Municipality

1.7 MONITORING AND EVALUATION

The Umtshezi Municipality has a Performance Management System (PMS) in place. Each of the Departmental Heads to signs a Performance Contract which is linked to the objectives of the IDP and meeting the service delivery needs of the community. Our Organisational Scorecard is aligned to the functions and responsibilities of each Department.

We have been nominated as one of the few municipalities to pilot the PMS System and the KZN COGTA funds initiative. We are doing very well, targets are being met and we see tangible improvement.

2 SECTION B: PLANNING & DEVELOPMENT PRINCIPLES & GOVERNMENT POLICIES & IMPERATIVES

2.1 PLANNING AND DEVELOPMENT PRINCIPLES

In developing our IDP, the following Key Planning and Development principles were taken into consideration:

Table 1: Planning and Development Principles

<i>NSDP SLUMB</i>	Development / investment must only happen in locations that are sustainable.	The principle is being implemented accordingly.
<i>DFA</i>	Balance between urban and rural land development in support of each other.	The principle is being implemented accordingly.
<i>DFA</i>	Discouragement of urban sprawl by encouraging settlement at existing and proposed nodes and settlement corridors, whilst promoting densification. Future settlement and economic development opportunities should be channelled into activity corridors and nodes that are adjacent to or that link the main growth centres.	The principle is being implemented accordingly.
<i>DFA</i>	The direction of new development towards logical infill areas.	The principle is being implemented accordingly.
<i>DFA</i>	Compact urban form is desirable.	The principle is being implemented accordingly.
<i>DFA CRDP NSSD</i>	Development should be within limited resources (financial, institutional and physical). Development must optimise the use of existing resources and infrastructure in a sustainable manner.	The SDF identifies areas with potential for development.

<i>NSDP</i>	Basic services (water, sanitation, access and energy) must be provided to all households.	The SDF investigates issues of water resources in the municipality.
<i>NSDP</i>	Development / investment should be focused on localities of economic growth and/or economic potential.	The LED Strategy as developed in partnership with the district covers the matter at hand.
<i>NSDP</i>	In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes.	The LED Strategy as developed in partnership with the district covers the matter at hand.
<i>CRDP</i>	Land development procedures must include provisions that accommodate access to secure tenure.	The municipality is currently disposing land suitable for development by way of secure tenure.
	Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised.	The protected areas are identified accordingly in the Town Planning Scheme.
	Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development.	The municipality ensures engagement with all stakeholders to ensure that all Planning Legislation and Policies are implemented accordingly.
<i>Housing Policy- Breaking New Ground</i>	If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity.	The municipality has adopted an Integrated Human Settlements Plan that is in line with the provisions of the IDP.

National Strategy on Sustainable Development)	During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted.	The municipality subscribes to the call of Sustainable Development and ensures Integrated Human Settlements where all Human Settlements projects are implemented.
<i>KZN PGDS</i> National Strategy on Sustainable Development	Environmentally responsible behaviour must be promoted through incentives and community needs.	The municipality subscribes to the Seven (7) Strategic Goals of the Provincial Growth Development Strategy.
<i>KZN PGDS</i>	The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency	The municipality subscribes to the Seven (7) Strategic Goals of the Provincial Growth Development Strategy.
<i>KZN PGDS</i>	Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities.	The municipality subscribes to the Seven (7) Strategic Goals of the Provincial Growth Development Strategy.

2.2 GOVERNMENT POLICIES AND IMPERATIVES

The National Development Plan (NDP) introduces the long-term vision for the future development of South Africa. As such, the National Planning Commission (NPC) has formulated a National Development Plan (NDP) - 'vision 2030' as a strategic plan to guide development at a national level over the short to medium term. The plan is based on a detailed diagnosis of issues facing the country and strategic engagement with all key sectors. It identifies unemployment, poverty and inequality as some of the key challenges facing South Africa, and outlines a number of strategic interventions to address these issues. Among these are the following:

- Economic development and job creation;
- Improving infrastructure;
- Transitioning to a low carbon economy;
- Building an inclusive and integrated rural economy;
- Reversing the spatial effects of apartheid;
- Improving education, innovation and training;
- Quality health care for all;
- Social protection;
- Reforming the public service;
- Fighting corruption;
- Transforming society and uniting the country and
- Positioning South Africa to seize opportunities of globalisation;

The 5 National priorities include Job creation (Decent work and Economic growth); Education; Health; Rural development, food security and land reform; Fighting crime and corruption; Nation-Building and Good Governance. We fully subscribe to the provisions of the NDP and our policies are aligned to the NDP to contribute to the National Targets.

THE MILLENNIUM DEVELOPMENT GOALS 2015

The Millennium Development Goals summarize the development goals agreed on at international conferences and world summits during the 1990s. At the end of the decade, world leaders distilled the key goals and targets in the Millennium Declaration (September 2000). The Millennium Development Goals, to be achieved between 1990 and 2015, are:

- Halving extreme poverty and hunger;
- Achieving universal primary education;
- Promoting gender equality;
- Reducing under-five mortality by two-thirds;
- Reducing maternal mortality by three-quarters;
- Reversing the spread of HIV/AIDS, malaria and TB;
- Ensuring environmental sustainability; and
- Developing a global partnership for development, with targets for aid, trade and debt relief.

In addressing the above millennium goals, the municipality has initiated **poverty eradication** programmes that are part of the plan for the financial year. These programmes include assisting the local community to plant vegetables for sustenance of the families. The municipality is in the process of reviewing its Local Economic Development Plan. The review of the LED will provide the current and a true reflection of the economy thereby assist in the identification of **economic opportunities** within Umtshezi that can be unlocked to create economic growth and job opportunities. We are fully aligned indeed.

PROVINCIAL GROWTH & DEVELOPMENT STRATEGY (PGDS)

The Provincial Growth and Development Strategy (PGDS) is a vehicle to address the legacies of the apartheid space economy, to promote sustainable development and to ensure poverty eradication and employment creation.

The PGDS offers a tool through which national government can direct and articulate its strategy and similarly for local government to reflect the necessary human, financial and fiscal support it needs to achieve these outcomes. It facilitates proper coordination between different spheres of government and aims to prevent provincial departments from acting out of concert with local municipalities. It enables intergovernmental alignment and guides activities of various role players and agencies (provincial sector departments, parastatals,

district and municipalities). Through the provision of the KZN PGDS service delivery will be enhanced.

It is a framework for public and private sector investment, indicating areas of opportunities and development priorities. It addresses key issues of implementation blockages whilst providing strategic direction.

Umtshezi Municipality is in full support of the KZN, PGDS and has ensured alignment of the Goals and *Objectives with the KZN234 IDP in terms of the following:*

Job Creation-

The Municipality has ensured alignment by implementing the following programmes:

- Recruitment of more than 150 participants under the Extended Public Works Programme as funded by the National Department of Public Works and further ensures that Infrastructure Projects are Labour Intensive;
- The recruitment of more than 1200 participants for the implementation of the Community Works Programme as funded by the Department of Corporative Governance and Traditional Affairs;
- The municipality has recruited more than 100 participants for the implementation of the Keep Umtshezi Clean Programme which aims at providing Job Opportunities to locals and at the same time provide assistance to the municipality with Service Delivery; and
- The municipality is currently working hand in hand with the KZN Department of Economic Development for the Training of SMMEs and has also allocated a Budget to attend to the needs of the SMMEs;

Human Resource Development-

The municipality is currently implementing the following programmes to assist the Local Youth with Skills Development:

- Skills Development Programme of 100 Local Youth in partnership with the National Youth Development Agency;
- Skills Development Programme of 50 Local Youth in partnership with the Office of the KZN Premier;
- Annual Financial Assistance to 100 successful Grade 12 students with Registration Fees in Tertiary Institutions; and
- The municipality ensures the distribution of Skills Development Information from other departments to all wards via the Youth Centre.

Human and Community Development:

- The municipality is currently implementing Human Settlements Projects in the following areas to ensure Sustainable Human Settlement:
- Cornfield, Paapkuilsfontein, Frere, Msobotsheni, Owl and Elephant, Wembezi, Thembalihle, Mimosadale and Rensbergdrift.
- The municipality is also supporting the elderly, development of Women, People living with disability and matters pertaining to gender programmes.

Strategic Infrastructure:

- The municipality has developed and submitted a Business Plan for the development of Dry Port / Industrial Area to the KZN COGTA for approval and is currently awaiting outcome. The development seeks to be a central point for delivery of goods between Durban and Johannesburg due to the strategic location of the town of Estcourt and the site.

Responses to climate change:

- Umtshezi Municipality hosted a huge event / community outreach programme in year 2012 in the town of Weenen in partnership with the relevant Sector Departments. The event was aimed at equipping the community at large with the following:
- Increased productive use of land;
- Alternative energy generation and usage; and
- Disaster Management.

Governance and Policy:

- The municipality has a Prevention of Fraud and Corruption Policy adopted by council; and
- The municipality has developed and adopted Government Policies to ensure compliance.

Spatial Equity: The municipality subscribes to the following pieces of legislation:

- Spatial Planning and Land Use Management Act No 16 of 2013; and
- Planning and Development Act No 6 of 2008.

THE 12 NATIONAL OUTCOMES

Government introduced the outcome based approach and adopted twelve outcome areas. The objective is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process. Outcome nine specifically relates to local government and calls for 'Responsive, accountable, effective and efficient local government system'. Umtshezi has to respond to the outputs set out in Outcome 9 and deal with issues facing the municipal area and providing efficient and effective services to its communities. The municipality is committed to implement the respective outputs through focussing on improved service delivery, economic, environmental and social development. The seven outputs of outcome 9, are indicated below:

- **Output 1:** Implement a differentiated approach to municipal financing, planning and support.
- **Output 2:** Improving access to basic services.
- **Output 3:** Implementation of the Community Work Programme.
- **Output 4:** Actions supportive of the human settlement outcome.
- **Output 5:** Deepen democracy through a refined Ward Committee Model.
- **Output 6:** Administrative and financial capability.
- **Output 7:** Single window of coordination.

STATE OF THE NATION ADDRESS

Umtshezi Municipality accordingly subscribes to the content of the State of the Nation Address as delivered by the President of the Republic of South Africa, His Excellency: President Jacob G. Zuma.

STATE OF THE PROVINCE OF KZN ADDRESS

Umtshezi Municipality accordingly subscribes to the content of the State of the Province Address as delivered by the Premier of the Kwa Zulu Natal, Honorable: Senzo Mchunu.

OPERATION CLEAN AUDIT

In the 2010/2011 and 2011/2012 financial year we have received two clean audit opinions. In order for us to obtain these two clean audit opinions, Stringent controls were put in place. In the 2012/2013 financial year, however we have regressed to a qualified opinion. We are addressing the basis of receiving the qualified audit opinion i.e. accruals; commitments; irregular expenditure and all other queries raised by the Auditor General.

3 SECTION C: SITUATIONAL ANALYSIS

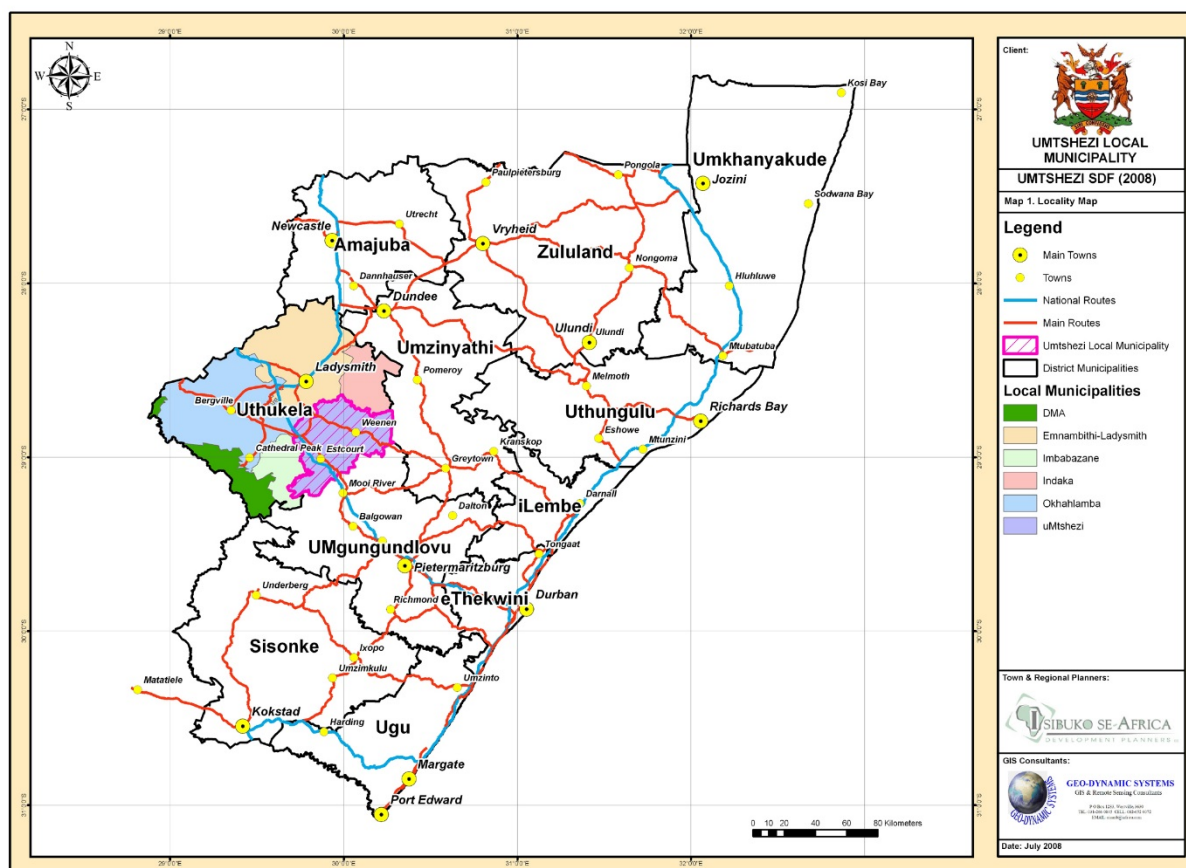
3.1 SPATIAL, ENVIRONMENTAL AND DISASTER ANALYSIS

SPATIAL ANALYSIS

3.1.1.1 REGIONAL CONTEXT

Umtshezi Municipality is located approximately 165km northwest of Durban and 400km southeast of Johannesburg. The National Road N3 also traverses the Municipality on its western portion linking these two major cities i.e. Durban and Johannesburg within Uthukela District Municipality (DC23). Estcourt Town is the main urban center for the Municipality. Umtshezi Municipality is bordered on its southeastern portion by the Mooi Mpfofana Municipality, Msinga Municipality on its eastern portion, Indaka Municipality on its northeastern portion, both by Emnambithi/Ladysmith and Okhahlamba Municipalities on its northwestern portion and Imbabazane Municipality on its southwestern portion. (See the map of Umtshezi below)

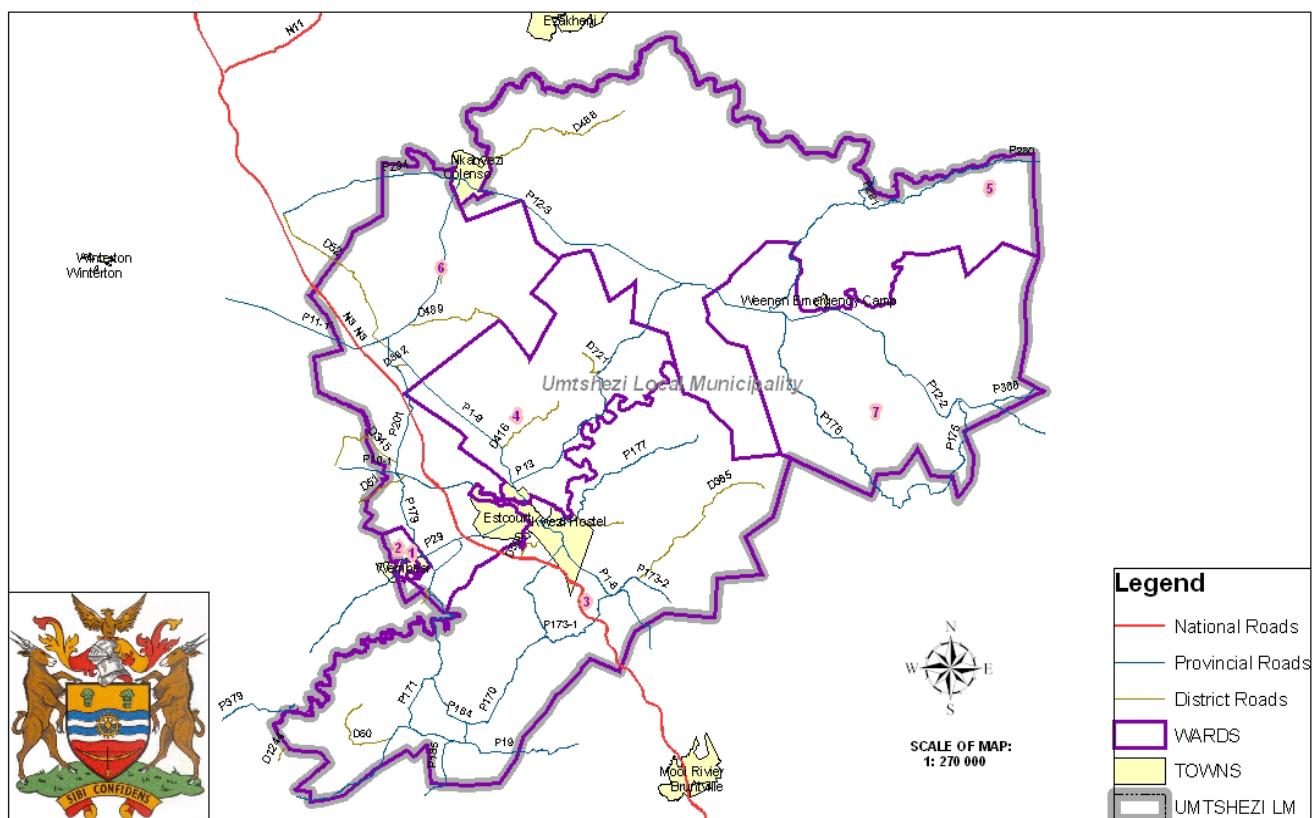
Figure 1: Locality



3.1.1.2 ADMINISTRATIVE ENTITIES

The Umtshezi municipality consists of nine (9) wards and includes two Traditional Authority Areas, namely the Nkwanyana and the Machunwini areas.

Figure 2: Administrative entities



3.1.1.3 STRUCTURING ELEMENTS

- N3 national route, which links Durban and Johannesburg. It is approximately 80km from Pietermaritzburg and about 40km from Ladysmith. As such, it is highly accessible both local and regional level.
- P12 from Weenen and beyond and the P29 from Wembezi and beyond (major tourist route to Giants Castle and the Ukhahlamba Drakensberg Park World Heritage Site that passes through Imbabazane Local Municipality to Estcourt and a secondary tourism corridor in the district SDF).
- Wagendrift dam

3.1.1.4 EXISTING NODES AND CORRIDORS (INCLUDING URBAN EDGES)

NODES

- The Primary Node is Estcourt since it is the main commercial, industrial and administrative centre within Umtshezi Municipality. It forms of part of the district spatial systems and is identified in the district SDF as a secondary node. This is despite Estcourt being recognised as a third order centre at a provincial level alongside Ladysmith. As a sub-regional node, the following activities should be strengthened in Estcourt;
- Secondary Activity Nodes/Urban Community Centres: Weenen, and Wembezi Town Centre; and
- Tertiary Nodes/Rural Community Centre: Thembalihle and Cornfields, Frere, Chively, Rensbergdrift, Nhlawe.

CORRIDORS

- The N3 National Corridor;
- **Primary Development Corridors:** Main access and mobility routes have been identified as primary development (regional) corridors, namely the Giant Castle to Weenen Nature Reserve Corridor (north–south axis); Regional road from Colenso in the west through Weenen to Greytown and beyond (east-west axis); and R103 which runs parallel to and north of the N3. For the purposes of the SDF, R103 is seen as part of the broader N3 corridor.
- **Secondary Corridors:** (Road from Winterton to Colenso running along the western boundary of Umtshezi Municipality and P170-D385 corridor from Wagendrift dam through Estcourt town to Weenen running along the eastern boundary of the municipal area.
- **Tertiary Corridors:** Tertiary corridors are also known as local corridors because they serve mainly a local function including the following: (D489 – D721 (Cornfields-Thembalihle Corridor), P179 from Loskop road through Wembezi to Wagendrift Dam and the surrounding proposed conservation areas and the Wembezi-Estcourt Mixed Land Use Corridor.

3.1.1.1.1 SUB-REGIONAL ACTIVITY NODE - ESTCOURT

Estcourt is the main commercial, industrial and administrative centre within Umtshezi Municipality. It forms part of the district spatial systems and is identified in the district SDF as a secondary node. This is despite Estcourt being recognised as a third order centre at a provincial level alongside Ladysmith. As a sub-regional node, the following activities should be strengthened in Estcourt:

- Development of commercial activities serving the whole municipal area and the surrounding areas (sub-region).
- Location of district and sub-district offices of various government departments and serve delivery agencies.
- Location of facilities and services for an effective administration and local governance of Umtshezi Municipality.
- Industrial development, focusing mainly on the processing of raw materials produced within the sub-region and the neighbouring areas – agri-processing centre.
- Location of public facilities serving the whole sub-region and beyond. These may include sports and transportation facilities.

3.1.1.1.2 SECONDARY ACTIVITY NODES/URBAN COMMUNITY CENTRES

Two secondary activity nodes have been identified in Umtshezi Municipality, namely:

- Weenen, and
- Wembezi Town Centre.

Weenen which was previously a thriving rural town has experienced decline in both character and function. It is characterised by derelict and poorly maintained buildings, deteriorating quality of infrastructure and the associated services, and lack of investment. With the majority of the land around this town being subject to land restitution and labour tenant claims, it is critically important to repackage Weenen as a centre of activity and an anchor point for the integration and coordination of support services to the various land reform projects. It has potential for the activities:

- Administrative offices for the decentralisation of services to the communities located around Weenen.
- Limited commercial activities targeting the surrounding communities.
- Processing of raw materials produced in the area given its potential for intensive crop and citrus production.

Wembezi on the other hand was developed as a residential township or a dormitory suburb for black people working in Estcourt. A small area was set aside for the development of a

town centre. Today, this area is poorly developed with a community hall and two small local convenient shops. However, a small agglomeration of commercial facilities has occurred at the northern entrance to the township. Plans to develop a neighbourhood shopping centre in the area have reached an advanced stage with implementation due to start at the beginning of 2009. The area is also being considered for a range of projects that would be funded through the Neighbourhood Development Partnership Grant (NDPG).

In addition, middle income housing is being developed to the west of the Wembezi Township. In fact, there is potential to expand this to cover the vacant land located to the west of B-section and may yield about 500 units. Other issues that require attention in the area include:

- Upgrading of informal settlements.
- Upgrading of the existing cemetery.
- Upgrading and maintenance of roads.

3.1.1.1.3 TERTIARY NODES/RURAL COMMUNITY CENTRE

The vision for the future spatial development of Umtshezi Municipality makes provision for the development of community centres within a cluster of settlements, as follows:

- Thembalihle and Cornfields
- Frere
- Cheverly
- Rensbergdrift
- Nhlawe

None of these is currently developed. The primary aim of these centres is to accommodate land uses that provide services to the local communities. These include the following:

- Educational facilities such as schools.
- Community centres including a community hall
- Health facilities such as a clinic or mobile clinic
- Sports facilities
- Limited commercial facilities
- Pension pay point.

3.1.1.1.4 URBAN EDGE

With the pressure of population growth in cities and towns, especially in the still developing countries, an increase in human activity and human needs causes a build-up of development intensification and human needs. Urban containment and urban sprawl is thus global occurrences with local manifestations. Containment strives to prohibit commercial or residential over-development in and around large cities and towns so that the natural environment can be sustainable and continue whilst being protected. As with most human action certain social, political and governance issues also accompanies these processes.

The urban edge demarcation policy system is a South African approach to limit urban development from expanding to rapidly to the outskirts of an urban region. Hence, this system provides containment in the form of restriction. The urban fringe, or more plainly the zone where the urban ends and the rural starts, is a determinant for compiling the edge. However, the reality of modern urbanism and development is that large towns eventually formed metro poles, suburbs and neighborhoods (Daniels: 1999). This made the fringe vast and determination thereof difficult to place.

The pressure of residential development like golf course low-density development is at this moment extremely high. Farm and vacant land contributes to the very character of Paarl and the availability of these sites, either small or large, remains a problem especially when only so many restrictions can prohibit development from escalating to rapidly. Damage to the environment is the ultimate consequence if urban sprawl is to continue so fast for this region.

Most of the current farms and vacant urban land is zoned as agricultural, commercial, residential or undetermined and changing these sites can become difficult under the Heritage Resources Act of 2005. To comprehend the justification of policy adaptation in order to extend the Paarl urban edge is an immense predicament and is something that may never be fully understood or even proven. The fact remains that this is the case for many abutting local governments, not only in South Africa, but across the world.

For the purposes of Development Control, Umtshezi Municipality is currently implementing the Planning pieces of Legislation below and ensured inclusion of Urban Sprawl Prevention in the following Policy Documents:

Legislation / Policy Document	Comments
KZN Planning and Development Act No 6 of 2008.	Currently being implemented.
Spatial Planning and Land Use Management Act No 16 of 2013	The Act was Gazetted on the 5 August 2013 but practical effectiveness of the Act will depend on the advice of KZN COGTA.
Estcourt / Wembezi Town Planning Scheme	The municipality is currently utilising the scheme to ensure development control in the areas of Wembezi and Estcourt.
Spatial Development Framework	The municipality is currently utilising the SDF to ensure proper planning of development.

3.1.1.5 CORRIDORS

3.1.1.1.5 THE N3 NATIONAL CORRIDOR

The N3 is identified in the NSDP as a national corridor, and is recognised as such (existing corridor) in the PSEDs. It runs in an east-west direction almost dividing Umtshezi Municipality in two halves. The southern portion is dominated by high potential agricultural land and portions of conservation worthy areas, while areas to the north could be described as moderate to low in production potential and generally suitable for livestock and game farming. It is a high speed limited access road providing access and inter-nodal connections at a national and provincial level. It carries traffic between Johannesburg and Durban.

At a local regional and local level, it presents an opportunity for the integration of Estcourt Town to the national and provincial trade routes. It is a tourist route to the major tourist destinations in KwaZulu-Natal (KZN), particularly the Drakensburg and the Battle-fields Route. Development along this route should occur as follows:

- Facilitate the establishment of mixed land use activity nodes at the intersection of the N3 and the regional or provincial routes. Activities that may locate in these areas include logistics, warehousing, light industry and commercial facilities.
- In the short to medium term, high value agricultural land located along the corridor should be protected, but in the long term, strategically located areas abutting onto the mixed land use nodes should be opened for development as mixed land use precincts.

- Compliance with the policies and regulations introduced by the South African National Roads Agency (SANRAL).
- Development of Wembezi Interchange as a mean facilitate access to the “Berg”.

3.1.1.1.6 PRIMARY DEVELOPMENT CORRIDORS

Two main access and mobility routes have been identified as primary development (regional) corridors, namely:

- Giant Castle to Weenen Nature Reserve Corridor (north–south axis);
- Regional road from Colenso in the west through Weenen to Greytown and beyond (east–west axis); and
- R103 which runs parallel to and north of the N3. For the purposes of the SDF, R103 is seen as part of the broader N3 corridor.

The former has potential to develop into a tourism route linking the Drakensberg with the proposed Big Five Game Reserve centred on Weenen Nature Reserve. There are also opportunities for intensive agricultural activities or leisure type of developments linked to the game reserve along the river hence the river is identified as a green corridor. It is also a major link between Estcourt and Weenen. As such, it carries local traffic between the two centres and creates a link between a largely agricultural centre in Weenen and an agri-processing centre in Estcourt.

The eastern axis on the other hand serves as a major link to the areas beyond Umtshezi Municipality, and is an alternative tourist route to the north-coast from areas such as Gauteng and the Free State. It runs through the proposed Big Five Game Reserve and has potential for the development of a range of tourism facilities including private game farms (mainly for hunting and/or conservation purposes). In the medium to long term, a need may arise for some land to be released for settlement purposes to accommodate land restitution claimants, labour tenant and farm dwellers using a cluster approach. Development along these corridors should conform to the following guidelines:

- Both corridors are located on provincial roads and thus should adhere to the regulations as implemented by the Department of Transport.
- Development of viewing and picnic sites in appropriate areas.
- Development of a tourism node at the intersection of the two corridors.
- Limit the number and location of settlements located along this route to carefully selected areas.

3.1.1.1.7 SECONDARY CORRIDORS

A number of existing roads have potential to develop as secondary or sub-regional development corridors, but there are opportunities to unlock new development areas through the use of a network of secondary corridors. The key existing secondary corridors include the following:

- Road from Winterton to Colenso running along the western boundary of Umtshezi Municipality. This corridor links Winterton with Colenso and beyond. It runs mainly along agricultural land. As such, development along this corridor should focus on intensive and extensive agriculture including livestock farming. Settlement should be limited to the consolidation of the existing Chieverlery, its expansion to accommodate land reform beneficiaries and provision of the necessary public facilities so as to establish the area as a sustainable human settlement.
- P170-D385 corridor from Wagendrift dam through Estcourt town to Weenen running along the eastern boundary of the municipal area.

The road from Winterton to Colenso serves as a major link at a district level knitting together small towns from Bergville through Winterton to Ladysmith, Weenen and beyond. It runs mainly along agricultural land. As such, development along this corridor should focus on intensive and extensive agriculture including livestock farming. Settlement should be limited to the consolidation of the existing Chieverlery, its expansion to accommodate land reform beneficiaries using a cluster approach and provision of the necessary public facilities so as to establish the area as a sustainable human settlement.

P170-D385 corridor is a proposed corridor linking the eco-tourism and leisure node of Wagendrift Dam through Estcourt town with the proposed Big Five Game Reserve but running along the eastern boundary of the municipal area. It is essentially a tourism corridor, but its future development should provide for a strategic mix of agricultural and eco-tourism activities. From Weenen, this corridor runs northwards into Indaka Municipality where it links with the proposed Cannibal Route.

3.1.1.1.8 TERTIARY CORRIDORS

Tertiary corridors are also known as local corridors because they serve mainly a local function including the following:

- D489 – D721 (Cornfields-Thembalihle Corridor).
- P179 from Loskop road through Wembezi to Wagendrift Dam and the surrounding proposed conservation areas.

Cornfields-Thembalihle Corridor serves as a major link between the two parallel secondary corridors and has potential to improve access to Thembalihle and Cornfields which area both isolated expansive rural settlements located on commercial farmlands. It has potential to link with Chieverley as well. To all intents and purposes, this corridor has limited economic opportunities.

P179 from Loskop road through Wembezi to Wagendrift Dam and the surrounding proposed conservation areas is also an emerging corridor intended to reinforce linkages and integrate Wembezi and the surrounding settlements to the agricultural and the proposed eco-tourism areas in the vicinity of the Wagendrift Dam. It has potential to serve as an alternative access to the Wagendrift eco-tourism node from the Loskop road. It has potential to serve as an alternative access to the Wagendrift eco-tourism node from the Loskop road. It also provides access to settlements such as Wembezi and C- section.

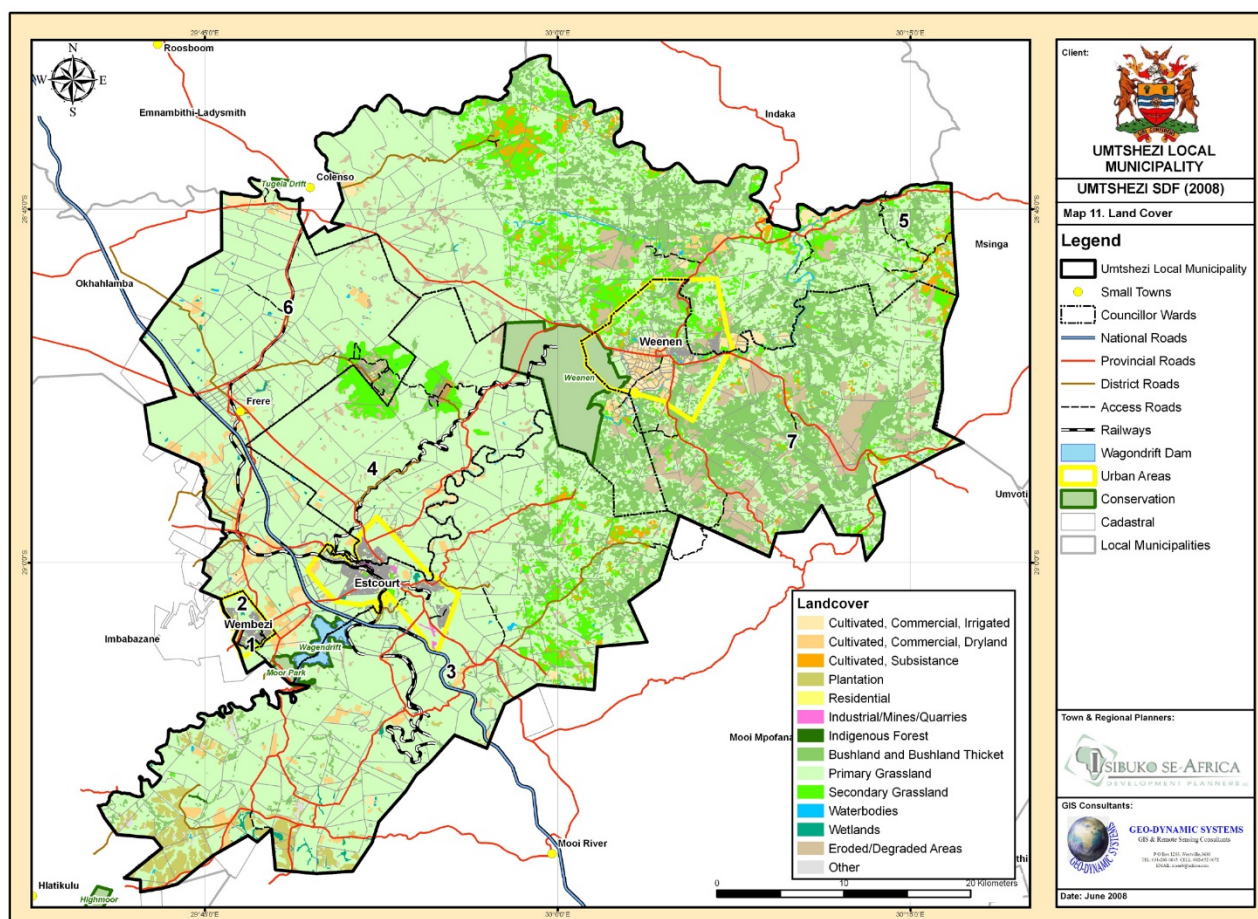
3.1.1.1.9 WEMBEZI-ESTCOURT MIXED LAND USE CORRIDOR

Spatial integration between Wembezi and Estcourt is one of the main spatial development challenges facing Umtshezi Municipality. It is thus recommended that the portion of the main road between the two areas be developed as a low impact mixed land use corridor in the short to medium term. This will ensure protection of the existing agricultural land while also opening opportunities for tourism, leisure, housing and commercial development. The proposed N3 off-ramp gives further impetus to the development of a mixed land use node which accords well with the proposed corridor.

3.1.1.6 LAND COVER AND BROADER LAND USES

Current land use pattern has evolved in response to the settlement pattern, the natural environment and regional access routes.

Figure 3: Land cover



The following broad land use categories are found in Umtshezi Municipality:

- Urban nodes are Estcourt, Wembezi and Weenen. Each of these plays a different role in the space economy. While Estcourt is the major commercial node, Wembezi is essentially a dormitory suburb. Weenen is a declining rural town.
- A sizeable portion of the municipal area comprises commercial agricultural areas. There are extensive and intensive farming activities throughout this area. They include crop production (primarily in irrigated areas), game farming, limited forestry and livestock farming.
- While there are no proclaimed Traditional Authority Areas within Umtshezi, there are several areas of dense rural settlement. They include settlements such as Frere, Cheverly, Cornfields and Thembalihle. The latter is settled by members of Mabaso traditional council.

- Conservation areas include nature reserves (namely the Weenen, Wagendrift and Moor Park Nature Reserves), game farms and heritage sites.
- A number of farms which were previously used for livestock farming have now been converted into game farms and are developed with tourism infrastructure.

3.1.1.7 LAND OWNERSHIP

Land ownership in the municipal area can be categorized as follows:

- There are numerous parcels of state land located throughout the municipal area. They include the land parcels upon which various facilities have been constructed, for example, government and municipal offices, police stations, schools, clinics and utilities (such as water works and sewerage treatment works). Small portions of agricultural stateland are found near Ennersdale.
- The predominant form of land ownership in the municipal area is privately-owned land. However, this is likely to change as more land is increasing registered in the name of groups as a result of the land reform program. Huge tracks of land will fall under communal land as defined in the Communal land Rights Act (CLaRA).
- Major servitudes relating, *inter alia*, to uThukela Water's bulk water supply pipelines and Eskom powerlines.

3.1.1.8 LAND CLAIMS / REFORM

The following table summarizes the current extent of the land reform programmes in Umtshezi.

Table 2l Land reform projects

Programme	Extent
Restitution	72 claims
Redistribution	23 projects
Land Redistribution for Agricultural Development (LRAD)	3 projects
Labour Tenant	14 projects

The LED aspects of the land reform projects are generally poorly developed. The Framework for Land Reform in KwaZulu Natal (2005) notes that: "Very few land reform projects, except those initiated by the private sector or in partnership with the private sector, facilitate the integration of beneficiary groups into commercial agricultural markets or provide opportunities for rural households to generate small amounts of income from their agricultural produce or natural resource products" (71). Land reform projects require not only the same kinds of support that other emerging farmers do; but additional support in the enterprise transformation process and resettlement process. This is termed 'post-

transfer support' and requires enterprise, livelihood, infrastructure and social support interventions.

3.1.1.9 LAND CAPABILITY

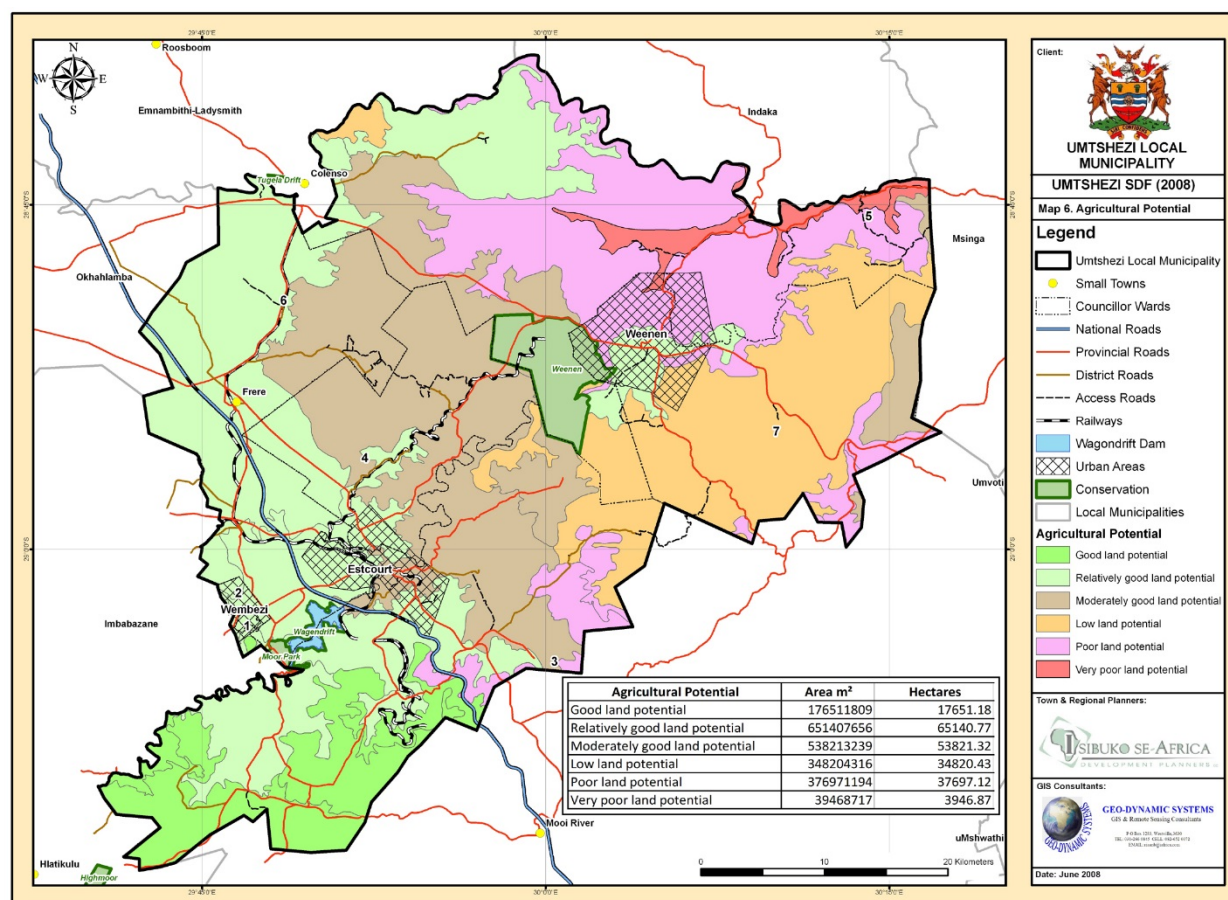
The agricultural potential of Umtshezi varies with the different rainfall, soil, climate and topographical condition in the area. The five distinct Bioresource identified by the Department of Agriculture and Environmental Affairs have a major impact on agricultural practices and potential. The area of Umtshezi is of marginal value for crops, unless irrigated. The good water resources in the area create a high potential for irrigation.

Agricultural potential within Umtshezi Municipality falls into six of the eight potential ratings namely: good, relatively good, moderate, restricted, low, poor, and very poor agricultural potential areas. These are described as follows:

- Good agricultural potential areas: Areas of agricultural potential within Umtshezi Municipality which are classified as good are limited of the six agricultural potential zones. These areas occur at the southern part of municipality. Good agricultural land occupies an estimated 2% of the municipality.
- Relatively good agricultural potential areas: Land of relatively good agricultural potential is quite extensive in municipality. Areas of relatively good agricultural potential occur along the western boundary of the municipality and also at the northern tip of the municipality. Relatively good agricultural land occupies an estimated 16% of the municipality.
- Moderately good agricultural potential: Land that is of moderate agricultural potential is located in the central parts of the municipality between the areas encompassed by southwest of Estcourt, east of Frere, northeast of Colenso and west of Weenen. A very small area of this land type also occurs along the western boundary of the municipality. Moderately good agricultural land occupies an estimated 25% of the municipality. Jane
- Low and poor agricultural potential: The rest of the area which covers an estimated 56% of the municipality is covered by land considered to be low to poor agricultural potential land. These areas occur mainly at the western half of the municipality.
- Agricultural Potential for Planning Purposes: The quantity and distribution of water resources in Umtshezi Municipality is very good although rainfall is erratic and soils are poor. It is estimated that close to 60% of land in the municipality has limited agricultural productivity. Thus in terms of economic land use, agriculture is not a suitable development option for economic development in the Municipality. Since majority of the people in this municipality depend on crop cultivation an area of focus for the municipality is to strengthen subsistence farming at the household level.

The best areas for irrigation are in the valleys of the Bushmans and Little Bushmans Rivers and the area of the Wagendrift Dam. Agricultural potential is greatest in the eastern sections along the Little Tugela River, declining to the west. Commercial farming is taking place in the eastern sections and non-commercial farming occurs in the vicinity of Weenen. The irrigated small holdings located almost around Weenen town accounts for the relatively good potential land in this area. High potential agricultural land is located to the south west of the area along Bushmans River.

Figure 4: Agriculture potential



3.1.1.10 PRIVATE SECTOR DEVELOPMENT

As Umtshezi Municipality, we are trying very hard to unlock in terms of shopping malls and at present, we are developing the Municipality with two Taxi Ranks i.e. in Wembezi and Estcourt town, expansion of Nestle industry. We manage to form two mines i.e. Blue Quarry and Ngodini mine, a number of Umtshezi residents are employed in the two.

3.1.1.11 LAND INVASION AND INFORMAL LAND ALLOCATION

As Umtshezi we are facing challenging pertaining Land Invasion and informal land allocation without any consultation. The Municipality is in process of engaging with the Invaders and Informal land allocators to encourage the formalisation of the existing developments and to discourage future land Invations. The affected areas are Osizweni, Land, Mimisadale, Khwezi, Emabhalonini.

ENVIRONMENTAL ANALYSIS

The natural environmental resources and endowments are the pivots around which development revolves. Human intervention plays a critical role in the sustainability or depletion of these resources. Thus the ability of the natural environment to supply raw materials for production on a sustainable basis depends on the management principles and the instruments available for the management of these resources.

3.1.2.1 BIODIVERSITY (INCLUDING PROTECTED AREAS)

UMtshezi Municipality is rich in biodiversity. The western and southern portions of the municipality are particularly high in species diversity and habitats. The eastern parts in particular and portions of the central areas of the municipality have intermediate sensitivity to species diversity. In the central parts and areas centrally placed towards the north, species diversity and communities tend to be irregular with some areas having intermediate sensitivity and others having low sensitivity.

South Africa has ratified the International Convention on Biological Diversity, which commits the country, including KwaZulu-Natal, to develop and implement a strategy for the conservation, sustainable use and equitable sharing of the benefits of biodiversity. In the Province of KwaZulu Natal, Ezemvelo KZN Wildlife is the authority responsible for planning and management of biodiversity conservation. As a means of complying with the requirements of the Convention on Biological Diversity, KZN Wildlife has developed management tools to manage the biodiversity resources in the province.

One of the tools of the conservation planning analysis (C-Plan) is an irreplaceability map of the province of KwaZulu-Natal. This map is divided into 2 by 2 km grid cells called 'planning units'. Each cell has associated with it an 'Irreplaceability Value' which is one reflection of the cells importance with respect to the conservation of biodiversity. Irreplaceability reflects the planning units ability to meet set 'targets' for selected biodiversity 'features'. The irreplaceability value is scaled between 0 and 1.

- **Irreplaceability value – 0.** Where a planning unit has an irreplaceability value of 0, all biodiversity features recorded here are conserved to the target amount, and there is unlikely to be a biodiversity concern with the development of the site.
- **Irreplaceability value – 1.** These planning units are referred to as totally irreplaceable and the conservation of the features within them are critical to meet conservation targets. (Developments in these areas definitely require EIA for which, and depending on the nature of the proposal, an authorisation is unlikely to be granted).
- **Irreplaceability value > 0 but < 1.** Some of these planning units are required to meet biodiversity conservation targets. If the value is high (e.g. 0.9) then most units are required (few options available for alternative choices). If the value is low, then many options are available for meeting the biodiversity targets. (EIA required and depending on the nature of the proposed development, permission could be granted).

The C-Plan is used to develop a minimum sets of biodiversity required (Minset) to meet biodiversity conservation targets. Mindset output map shows areas that are already protected, 'Mandatory Reserves' and 'Negotiable Reserves'. Mandatory reserves are those areas that appear as totally irreplaceable on the irreplaceability map, since there are no other alternatives for achieving the conservation targets. Areas identified as negotiated reserves are the areas that the Minset function returns as the most efficient for achieving targets and constraints. However there are alternatives to achieving the targets and constraints but with less efficiency, and hence the designation of this area is still negotiable.

Majority of the municipality is accorded very low irriplaceability values. Areas considered as initially excluded correspond with those areas of low irriplaceability values. This implies that development planning in these areas is not likely to infringe significantly on biodiversity conservation issues. However, care needs to be taken in planning infrastructure in particular and developments that are likely to take up large extends of land in areas that are labelled as negotiated reserves especially in areas around Weenen and north east of Colenso. Development in such areas should involve low key developments and planning processes should involve KZN Wildlife at the conception stage of the planning process.

Areas labelled as Mandatory Reserve located at the southern tip of the municipality is considered as important for biodiversity conservation. These areas would definitely be expected to be conserved by KZN Wildlife. It is recommended that areas labelled as Mandatory Reserved by included as part of passive open spaces in the municipality. There is a centrally located protected area west of Weenen town. This area is a legally protected area which is not available for development or any land use changes except by consent from the relevant authorities. It is recommended that protected areas and mandatory reserves should be included in passive open systems. Negotiated reserves should be zoned as limited

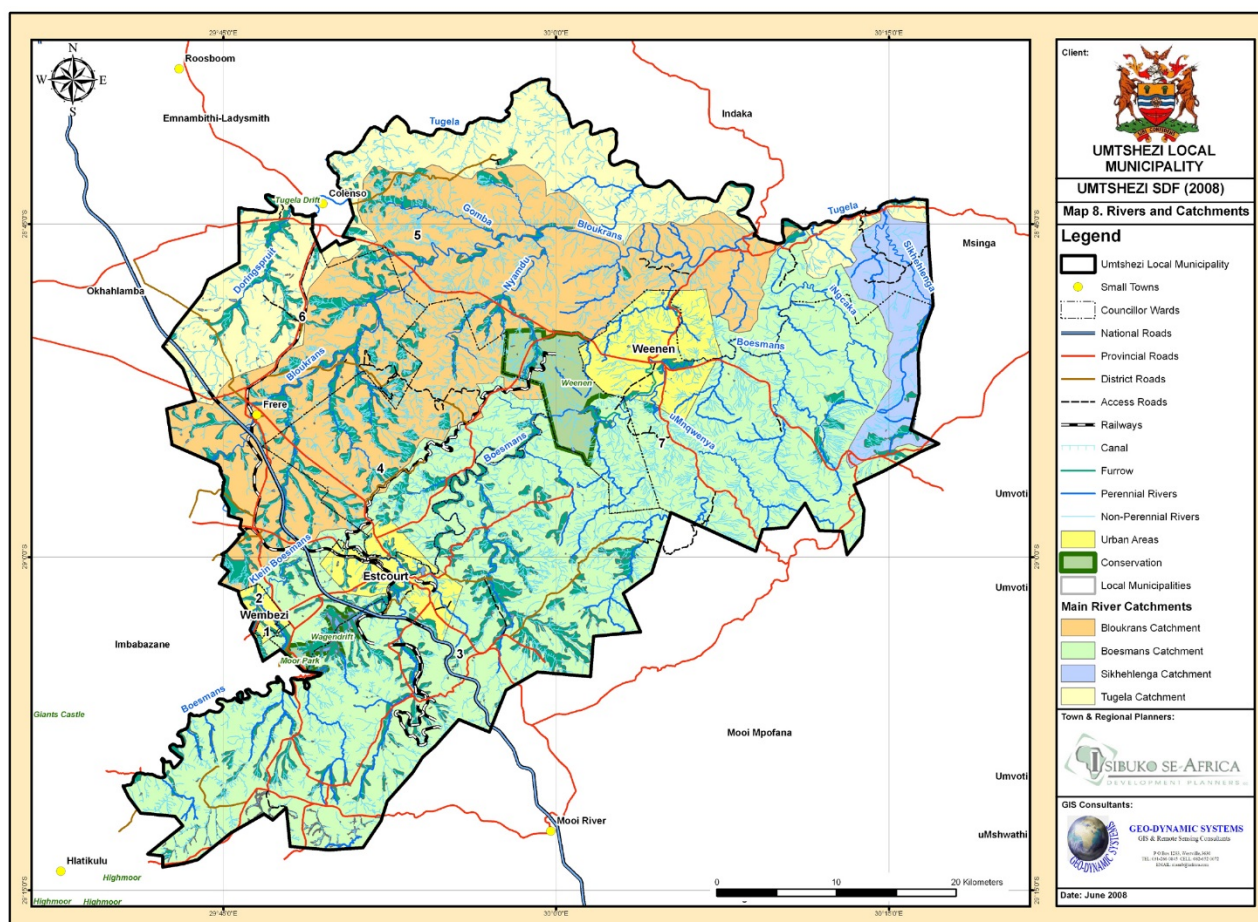
development areas where all developments involving new open spaces should be undertaken under the guidance of an EIA.

3.1.2.2 HYDROLOGY

Umtshezi Municipality is a major contributor to the provinces water supply and play a major role in the agricultural and industrial sectors of the economy in KZN. Three of the rivers in the province flow through the municipality area, namely (refer to Map 8):

- Boesman River,
- Bloukrans River,
- Sikhehlenga River, and
- UThukela River

Figure 5: Rivers and catchments



The quality and quantity of water emerging from the municipality largely depends on land use and land management practices in the municipality. Since impacts on natural river systems at any given point is propagated over long distances beyond the point of impact, care needs to be taken to protect the rivers and wetlands in the municipality from undue pollution.

Thus in order to protect rivers, there is the need to investigate and establish the 1:100 year floodline for all major rivers in the municipality. It is also necessary to investigate and delineate suitable buffers for the wetlands in the municipality.

3.1.2.3 AIR QUALITY

Domestic energy or fuel use depending on the type of fuel used, is a significant source of indoor and outdoor air pollution. Air pollution comprises e.g. outdoor (ambient) pollution:- fossil fuel burning (e.g.) power generation, (cars) industrial non- fossil fuel emissions, natural emissions, pesticides etc. Indoor pollution includes burning coal, wood, paraffin for heating, cooking and lighting. The Nestle SA in Estcourt and Masonite SA are the two industries which pollute the air at Umtshezi Municipality. The Umtshezi Municipality is situated near Drankesburg mountains filled with cold, dense air, this dense air brings pollutants from the local coffee industry into the town which causes the town to smell burnt coffee every morning and evening as a result the Municipality suffers a short term peaks in pollution. Reported trends in air quality are as follows:

- there is an increase in air pollution from Nestles as they are expanding the plant; and
- Increase of air pollution from Masonite has been noted.
- An increase in vehicle volumes and traffic congestions in peak hours, particularly in the CBD and many of the arterial routes; and
- Formal and informal settlements that use coal and firewood for heating and cooking.

3.1.2.4 CLIMATE CHANGE

This is ongoing trend of changes in the earth's general weather conditions because of an average rise in the temperature of the earth's surface often referred to as global warming. While weather changes on a daily basis, climate represents the statistical distribution of weather patterns over time. In this regard, a policy needs to be developed with a strategic approach that is:

Needs-driven and Customized - Employing a wide range of different types of adaptation and mitigation approaches, policies, measures, programmes, interventions and actions that meet the special needs and circumstances of those most vulnerable;

Developmental - Prioritizing climate change responses that have both significant mitigation and adaptation benefits and that also have significant economic growth, job creation, public health, risk management and poverty alleviation benefits;

Transformational, empowering and participatory - Implementing policies and measures to address climate change at a “scale of economy” that enables and supports the required level of innovation, sector and skills development, finance and investment flows needed to reap the full benefit of a transition to a lower-carbon, efficient, job-creating, equitable and competitive economy.

Balanced and cost effective - Implementing a balanced approach to both climate change mitigation and adaptation responses in terms of cost-benefit, prioritization, focus, action and resource allocation.

Umtshezi is characterized by dry winters and wet summers, with thunderstorms being very common in summer

Environmental Management and Sector Plans:

Umtshezi LM is committed to adhere to sustainable development principles in its municipality for the benefit of present and future generation. This is achieved through proper environmental planning which includes environmental sector plans, which supposed to be considered in integrated development planning of Umtshezi LM to avoid environmental degradation.

Environmental Planning concerns itself with the decision-making processes where they are required for managing relationships that exist within and between natural systems and human systems.

The municipality has not undertaken a SEA; although the district has developed, an Environmental Planning endeavors to manage these processes in an effective, orderly, transparent and equitable manner for the benefit of all constituents within such systems for the present and for the future. Present day Environmental Planning practices are the result of continuous refinement and expansion of the scope of such decision-making processes. Environmental sector plans can be used to manage environment in the area of municipal jurisdiction.

The following are the existing Environmental sector plans for Umtshezi LM:

Integrated Waste Management Plan

This plan covers the following key aspects Status quo analysis of Waste Management Goals and objectives of Waste Management, Gaps and needs and needs assessment of Waste Management, Evaluation of alternatives for Waste Management, Framework for an Implementation Strategy. Umtshezi manage environment in the area of municipal jurisdiction.

Identified Environmental Challenges

- Illegal dumping
- Air Pollution
- Loss of Biodiversity
- Environmental Degradation
- Lack of environmental management by-laws and policies
- Lack of law enforcement
- Lack of environmental education and awareness
- Flooding

General Strategies / Intervention

The municipality has identified the following key interventions/strategies that can be explored to address the above-mentioned environmental challenges and assist in job creation for local economic development:

Adaptation and Mitigation Measures:

- The use of Sustainable Energy as a means of intervention on reducing greenhouse gas emissions from energy use. Additional areas that will be covered in this theme include creation of local economic opportunities through the development of the sustainable energy use projects, building capacity and knowledge of municipal citizens in the climate impact of energy use, and ensuring the adaptation of energy systems to future climate change.

Transport:

- The intervention is on moving towards less carbon intensive forms of transport. Additional areas that will be covered in this theme include the creation of local economic opportunities in the provision of low carbon transport, building capacity and knowledge of municipal citizens on the climate impact of transport, and ensuring the adaptation of the transport system to future climate change.

Biodiversity:

- The intervention is on protecting ecological infrastructure. Additional areas that will be covered in this theme include the creation of local economic opportunities in biodiversity protection, building the capacity and knowledge of municipal citizens on the importance that Biodiversity plays in providing ecosystem services, and the role biodiversity can play in mitigation strategies.

Water:

- The intervention is on preparing for the impacts of a change in rainfall patterns. Additional areas that will be covered in this theme include the creation of local economic opportunities in water and sanitation, and building the capacity and knowledge of Umtshezi citizens on the value of conserving water.

Food Security:

- The intervention is on preparing for the impacts of a change in climate on food production and security. Additional areas that will be covered in this theme include the creation of local economic opportunities in agriculture, building the capacity and knowledge of municipal citizens to grow their own food, and ensuring that greenhouse gases from agricultural processes are reduced.

Health:

- The intervention is on preparing for the impacts of a change in climate on human health. An additional area that will be covered in this theme is building the capacity and knowledge of municipal citizens on the risks of climate related disease.

Waste Management and Pollution:

- The intervention is on minimizing the amount of waste that goes to landfill and reducing pollution from industry. Additional areas that will be covered in this theme include the creation of local economic opportunities in waste management and recycling, building capacity and knowledge of the municipal citizens on the value of managing waste and pollution, and reducing emissions from waste and industries.

SWOT ANALYSIS OF THE Umtshezi LM (ENVIRONMENTAL MANAGEMENT)

The Environmental SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats) is presented in the Table below:

STRENGTHS	WEAKNESSES	OPPORTUNITIES	TREATS
<p>1.Large biodiversity that inhabits an ecosystem landscape that has retained ecological functionality;</p> <p>2.There are wetlands, important water yield areas and streamlined rivers</p> <p>3.The presence of Priority Floral Species that prevents ecological degradation and further loss of vegetation</p> <p>4.The municipality also contains the basis of the Tugela-Vaal water scheme and good water resources.</p> <p>5.Indigenous planted at Wembezi Area as a response to reduction of Carbon Footprint</p> <p>6.Municipal Participation in Greenest Municipality Competition (GMC)</p> <p>7.Partnerships with other sector departments</p>	<p>1.Limited benefits derived from international assets situated in the municipality</p> <p>2.Lack of environmental compliance and enforcement; this weakens management of the natural environment</p> <p>3.Lack of environmental management strategies and key interventions to monitor & manage biodiversity as well as ecological footprint</p> <p>4.Lack of common planning between development planning and environmental planning</p> <p>5.Lack of environmental education & awareness in municipal communities</p>	<p>1.Improvement of biodiversity and hydrological integrity of aquatic systems</p> <p>2.There is an opportunity for contributions to rural livelihood through employment opportunities in alien eradication operations as well as beneficiation of some species as they provide materials for the production of various household and saleable items such as building materials, crafts and furniture and fuel wood</p> <p>3.Stakeholder alliance on environmental protection</p> <p>4.Revenue generation through conservation of biodiversity</p> <p>5.Mapping environmental sensitive areas</p>	<p>1.On-going environmental degradation affecting the ecotourism, leading to a reduction of resources available for conservation aspects.</p> <p>2.Low economic growth and increasing rate of unemployment in major economic sectors</p> <p>3.Alien infestation may lead in marked declines in stream flow, transformation of vegetation composition & structure; alteration of patterns nutrient cycle & fire regime; also impact on Tourism & Agricultural production</p> <p>4.Poor environmental management due to lack of environmental awareness</p> <p>5.Industrialisation and overpopulation</p> <p>6.Illegal Dumping which pollutes wetlands</p> <p>7.High potential agricultural land, potential forestry areas and areas likely to experience settlement expansion this poses greatest threats to identified Critical Biodiversity Areas (CBAs)</p> <p>8.Limited benefits derived from international and national assets situated in the district.</p>

DISASTER MANAGEMENT

3.1.4.1 RISK ASSESSMENT

To establish a uniform approach to assess and monitor disaster risks that will inform disaster risk management planning and disaster risk reduction undertaken by organs of State and other role players.

Disaster risk assessment is the first step in planning an effective disaster risk reduction programme. It examines the likelihood and outcomes of expected disaster events. This would include investigating related hazards and conditions of vulnerability that increase the chances of loss. Disaster risk assessment planning also requires identification of key stakeholders, as well as consultation with them about the design and/or implementation of the assessment and the interpretation of the findings.

Disaster risk assessments must be undertaken to:

- Anticipate and plan for known hazards or disasters to prevent losses and limit endangering impacts. Ensure that development initiatives maximize their vulnerability reduction outcomes.

3.1.1.1.10 RISK PROFILE OF THE UMTSHEZI MUNICIPALITY

This section presents the findings of the disaster risk analysis and assessment of the Umtshezi Municipality. The chapter begins by presenting the key findings of the disaster risk analysis & Assessments on the prevalent disasters, followed by the impact these hazards have as well as the hazards that have the potential to cause catalyst disasters. The Umtshezi Municipality's vulnerability analysis and adjustment is also presented and finally the section concludes with the overall analysis of capacity and resources for the Umtshezi Municipality. It should be noted that that these assessments distinguishes between the disaster risks faced by the rural dwelling households as well as the urban dwelling households did.

3.1.1.1.11 RISKS REQUIRING PREPAREDNESS PLAN

Based on the desktop disaster risk review, analysis and assessments conducted on the prevalent disasters within the Umtshezi Municipality ,the following hazards have been identified and classified as key hazards prevalent the within the municipality .The key prevalent hazards and disasters include but not limited to the following :

- Rural & Urban Fires
- Thunderstorms and Lightening

- Floods
- Droughts
- Tornado
- Soil Erosion
- Environmental Degradation
- Snow
- Technological Hazards

It is common knowledge that these hazardous events not only destroy and slow down years of hard work and development but also will result in severe social and economic losses both at the local, provincial and national level where these various structures of government and emergency & disaster management organisations are required to provide emergency relief for the victims. These findings will be later followed by a detailed account of the impacts that can be sustained in the event that measures are not in place to prevent, mitigate or reduce the risk of the hazards happening in the near future.

It is generally acknowledged that there are a host of risks and hazards, which result in disasters; it is however for a number of reasons not the intention of this exercise to discuss each hazard in this framework. Therefore given there is substantial evidence from the findings of the data review assessment and analysis suggesting that fire, flooding, thunderstorm and drought appears to be the most prevalent disasters, it has been deemed appropriate to discuss these prevalent hazards in much more details

3.1.4.2 RISK REDUCTION PLAN

The Disaster management framework and disaster risk management plan are the strategic mechanisms through which disaster risk management action is co-coordinated and integrated across all spheres. Umtshezi Local Municipality currently has an adopted Disaster Management Framework. Our District Municipality Framework is currently under review.

Level 1: Disaster Risk Management Plan: A Level 1 The disaster Risk Management Plan focuses primarily on establishing institutional arrangements for disaster risk management.

Level 2: Disaster Risk Management Plan: A Level 2 Disaster Risk Management Plan applies to national, provincial and municipal organs of State that have established the institutional arrangements, and are building the essential supportive capabilities needed to carry out comprehensive disaster risk management activities.

Level 3: Disaster Risk Management Plan: A Level 3 Disaster Risk Management Plan applies to national, provincial and municipal organs of States that have established both the level 1 and level 2 disaster risk management plans. The level 3 plan must specify clear institutional arrangements for co-coordinating and aligning the plan with other governmental initiatives

and plans of institutional role players. It must also show evidence of informed disaster risk assessment and ongoing disaster risk monitoring capabilities, as well as relevant developmental measures that reduce the vulnerability of disaster prone areas, communities and households.

3.1.4.3 DISASTERS AND POSSIBLE INTERVENTIONS

To complete the plan it was deemed necessary to include a pro forma. Further research on this topic will be done in conjunction with Municipal Disaster Committee as well as Academics in the field of disaster risk management during the second phase.

3.1.4.4 PRINCIPLES GOVERNING DISASTER RISK MANAGEMENT IN THE MUNICIPAL SECTOR

The principles applied in managing municipal disasters are guided by the disaster risk management cycle model described in the National Disaster Risk Management Framework and seeks to do the following:

- Address important human needs;
- Be driven at all tiers of government;
- Be transparent and inclusive;
- Ensure community involvement;
- Accommodate local conditions;
- Have legitimacy;
- Be flexible and adaptable;
- Be efficient and effective;
- Be affordable and sustainable;
- Be needs oriented and prioritized;
- Involve other actors;
- Have a multi-disciplinary and integrated approach;
- Focus on key issues;
- Be practical.

3.1.4.5 RESPONSE AND RECOVERY

To ensure effective and appropriate disaster response and recovery by:

- Implementing a uniform approach to the dissemination of early warnings.
- Averting or reducing the potential impact in respect of personal injury, health, loss of life, property, infrastructure, environments and government services.
- Implementing immediate integrated and appropriate response and relief measures when significant events or disasters occur or are threatening to occur.
- Implementing all rehabilitation and reconstruction strategies following a disaster in an integrated and developmental manner.

Early warnings

Early warnings are designed to alert areas, communities, households and individuals to an impending or imminent significant event or disaster so that they can take the necessary steps to avoid or reduce the risk and prepare for an effective response.

Assessment, classification, declaration and review of a disaster

When significant events or disasters occur or are threatening to occur, clear guidelines for the measures that have to be taken need to be established. Organs of State are in terms of section 25 of the Disaster Management Act, 2002, tasked with primary responsibility for dealing with disasters because of a particular hazard or significant event. To ensure immediate and appropriate response and relief actions the municipality will prepare operational guidelines for initial assessments, the extent of the area affected and the damage to critical infrastructure, lifeline facilities, property and the environment.

Disaster reviews and reports

Comprehensive reviews will be conducted routinely after all significant events and events classified as disasters. The findings will directly influence the review and updating of disaster risk management plans and will serve as valuable training aids.

3.1.4.6 TRAINING & AWARENESS

To support the education, training, public awareness and research enabler, the following functionalities are required:

Education and training programmes pertaining to disaster risk management in all spheres of the education system need to be recorded and monitored. The content of education and training programmes as well as records of participants (professionals, volunteers, communities, learners), and the education and training programmes they attended must be

recorded. A register and records need to be kept of all accredited service providers as well as accredited facilitators to ensure that minimum standards set by Sector Education and Training Authorities (SETA's) are met. Research programmes and projects need to be registered and monitored and the information disseminated to relevant stakeholders. Initiatives related to an integrated awareness programme by all spheres of government need to be recorded to minimize duplication and to ensure synergy among stakeholders.

3.1.4.7 DISASTER MANAGEMENT SWOT ANALYSIS

Table 3: Disaster Management SWOT Analysis

Strengths	Opportunities
<ul style="list-style-type: none"> • Community outreach; • Quick response; • Enabling mechanisms in place including policy, structure, capacity building and resources; and • We have the Disaster Management Forum, which includes local NGOs / NPOs (Alimdaad Foundation and Meals on Wheels), and etc. 	<ul style="list-style-type: none"> • Community education on disaster risk management; • More robust land use management; • Environmental management through land degradation and unsustainable agricultural practices; and • Encourage pre-disaster, vulnerability and reduction and mitigation measures.
Weaknesses	Threats
<ul style="list-style-type: none"> • Environmental degradation; • Soil Erosion; • Technological Hazards; • Rapid and poorly controlled urbanization and underdevelopment in the rural areas; • Inactive public policy; • Increasing construction of municipal and infrastructure production in hazard prone areas; and • Dense population in flood plains and settlement below potential hazard areas. 	<ul style="list-style-type: none"> • Rural and Urban fires; • Thunderstorms and Lightning; • Floods; • Droughts; and • Tornado.

3.2 DEMOGRAPHIC CHARACTERISTICS

POPULATION SIZE AND STRUCTURE

The 2011 Census data estimated that the total population of Umtshezi Municipality at 83 907 individuals. It has the smallest population within the uThukela District and experienced a population growth rate of 3.25% between 2001 and 2011. The uMtshezi population size in 2011 accounts for approximately 12.4% of the overall districts population of 668 848 people. The increasing population could be attributed by amongst others inward migration

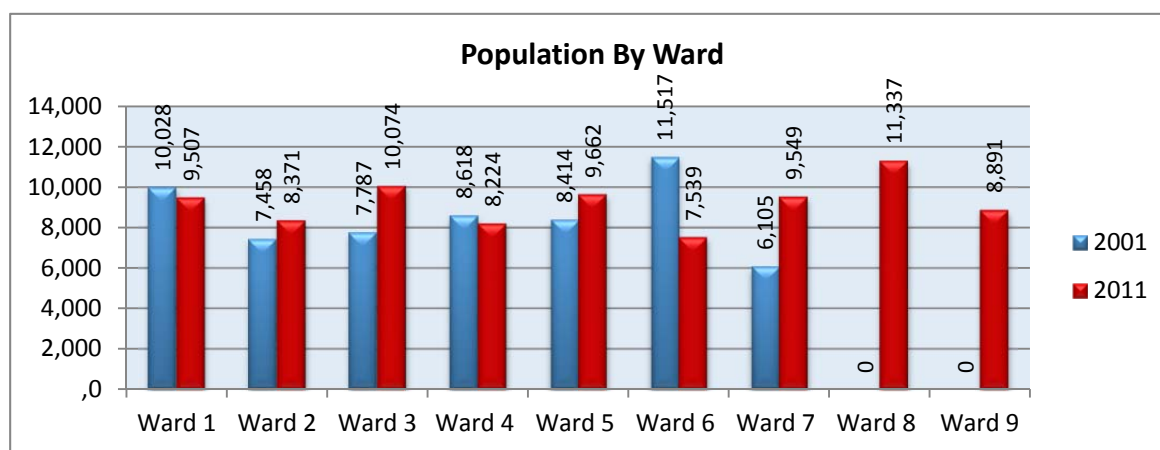
of people moving into uMtshezi from other neighbouring municipalities perhaps in search of better living standards and greener pastures.

Table 4: Population growth

Municipality	Wards	Population		Population Growth (% p.a.)
		2001	2011	2001-2011
DC23: UThukela	73	657 736	668 848	0.17
KZN234: Umtshezi	9	60 087	83 153	3.25
KZN236: Imbabazane	13	120 622	113 073	-0.65
KZN 233: Indaka	10	113 644	101 557	-0.97
KZN 232: Emnambithi	27	225 459	237 437	0.52
KZN 235: Okhahlamba	14	137 525	151 441	-0.43

Source: Census 2011

Figure 6: Population by ward



The Municipality has 19 252 households, spread unevenly over nine (9) municipal wards. The majority of the people are concentrated in urban areas ($\pm 29\,934$ – wards 3 and 4) and in farming areas ($\pm 19\,950$), but there are a few patches of high-density settlements within informal areas, hence, there have been Housing projects running to date in different wards of the municipality and this has contributed to the growth rate. And the total number of new households is 1688 households and are distributed as follows: Colita (301 households); Wembezi A (515 households); Wembezi D (800 households); Kwanobamba Phase 2 (72 households).

The composition of the population is dominated by black females, while the female population also dominates the population numbers on average.

Table 5: Population group by gender

	Male	Female	Total	Percentage
Black	34575	40451	75026	90.23%
Coloured	569	568	1137	1.37%
Indian or Asian	2386	2449	4835	5.80%

White	949	959	1908	2.30%
Other	136	111	247	0.30%
Total	38 615	44 538	83 153	100%

Source: Census 2011

AGE BREAKDOWN

The age breakdown determines the kind of economic activities required within the varying wards. Different age groups have different economic needs and different spending patterns. Approximately 71% of the total population in Umtshezi Municipality area is below the age of 35. Children, below the pre-school enrolment age (that is, 0-4 years of age), constitute 12% of the population, with those who are at school-going age, including pre-school constitute 24% of the entire Municipal population. Approximately 3% of the total population is over the age of 65 years. This scenario indicates the high dependency ratio incident within the municipal area, an event that might have a negative impact on the overall socio-economic development of the area as it impedes on the ability of the individuals to save and invest.

Table 6: Population by Age

AGE	Population		Percentage %	
	Male	Female	Male	Female
0 – 4	5109	5014	13 %	11%
5 – 9	4.625	4.624	12%	10%
10-14	4.519	4.679	11%	10%
15-19	4.217	4.466	11%	10%
20-24	4.053	4.142	11%	9%
25-29	3.564	4.072	9%	9%
30-34	2.600	3.061	6%	7%
35-39	2.221	2.828	6%	6%
40-44	1.829	2.412	5%	5%
45-49	1.594	2.330	4%	5%
50-54	1.210	1.662	3%	3%
55-59	1.057	1.504	3%	3%
60-64	876	1.407	3%	3%
65-69	466	801	2%	2%
70-74	336	613	1%	1%
75-79	150	360	0%	1%
80-84	102	312	0%	0%
85+	87	251	0%	0%
TOTAL	38615	44538	100%	100%

The table above (age breakdown) indicates that the largest age group in the municipality is between the ages of 15-34 constituting 37% of the entire population. This is followed by ages 35-64 (25%) and by 5-14 age group (23%). This trend obliges the provincial and national government (implementation) and the local municipality (planning) to allocate a large percentage of their budget to social development facilities such as schools, child grant, pension and clinics. However, capital facilities such as roads, water and electricity infrastructure and municipal marketing activities require the municipal attention.

3.2.2.1 DEPENDENCY RATIO

Umtshezi Municipality has 83% dependency ratio which causes serious problems for a town if a large proportion of a government's expenditure is on health, social security & education, which are most used by the youngest and the oldest in a population. The fewer people of working age, the fewer the people who can support schools, retirement pensions, disability pensions and other assistances to the youngest and oldest members of a population, often considered the most vulnerable members of society. Nevertheless, the dependency ratio ignores the fact that the 65+ are not necessarily dependent (an increasing proportion of them is working) and that many of those of 'working age' are actually not working.

MORTALITY RATE

Perinatal Mortality Rate for Umtshezi Municipality for January-December 2013 is 51.1%.

Maternal Mortality Rate for Umtshezi Municipality for January-December 2013 is 25%.

There are majors taken by the local hospital and the clinics in trying to deal with how to reduce the mortality rate, lessons on health education together with Sukuma Sakhe has been conducted.

3.2.3.1 CRUDE DEATH RATE

Crude death rate indicates the number of deaths occurring during the year, per 1,000 he provides the rate of natural increase, which is equal to the rate of population change in the absence of migration.

3.2.3.2 LEADING CAUSES OF DEATH

The most recent death statistics in South Africa have revealed a mortality rate of roughly 570 000 people annually. In 2009 - the latest available complete death statistics - this figure was at 572 673, or 1.7%. The majority of these deaths can be attributed to illness, but other contributing factors include road accidents, acts of violence and accidental injury. In South Africa, the leading causes of death are natural causes, and are usually the result of parasitic or infectious diseases. Figures released in 2011 by Statistics South Africa revealed that the

leading known cause of death among South Africans in 2009 was tuberculosis. In 2009, 12.6% of deaths were officially attributed to TB - more than 69 000. The second-highest known cause of death in South Africa was influenza and pneumonia, which attributed to 45 602 death in 2009, or 7.7% of recorded deaths. Intestinal infectious diseases were the third-highest known cause of death in SA in 2009, and include illnesses such as gastroenteritis and diarrhoea, which can lead to death because of dehydration. 39 351 were attributed to intestinal infectious diseases in 2009 - 6.6% of recorded deaths. The statistics also revealed that thousands of men and women continue to succumb to heart disease, hypertension and other cerebrovascular illnesses in South Africa each year. In 2009, these illnesses contributed to more than 78 900 deaths in South Africa. Other larger causes of death among South Africans are malignant neoplasms (cancer), respiratory ailments and kidney disease.

3.2.3.3 HIV PREVALENCE

There is still a great deal of ignorance about the spread of HIV/AIDS. The HIV Prevalence in Umtshezi Municipality for the Period April 2009 to October 2009 is 36.4%. The District is at 30.9%. Access to social welfare services still poses another challenge on the access to social services. The Department of Welfare and population Development is working together with the Municipality in ensuring that such services are rendered to the local communities. This is one of the priority areas for the Municipality. The scourge of AIDS affects all the citizens of this country, mostly the youth. Umtshezi Local Municipality has realized that HIV/AIDS pandemic will have a devastating impact on its socio-economic development programs and formulated the HIV/AIDS council that was launched in 2007. This has led to the formation of HIV/AIDS development plan, which seeks to ensure that HIV/AIDS infection rates are lowered and that those who are affected and infected with the pandemic are given a necessary support. The Municipality will embark on HIV/Aids programs during the 2012/17 financial years that would contribute to the mitigation of this pandemic and a permanent fulltime HIV/AIDS Co-coordinator has been appointed in 2013.

3.3 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

The Political structure of the Municipality consist of the Mayor, the Deputy Mayor and the Speaker as full-time office bearers. In total there are 17 councillors (inclusive of office bearers), which constitutes the Municipal Council. Out of 17 councillors, nine councillors are ward councillors, and the other eight are PR councillors after May 2011 Local Government Election, Umtshezi was constituted by nine wards.

INSTITUTIONAL ARRANGEMENTS

On the political institutional arrangement, Umtshezi Municipality has a collective executive system combined with a ward participatory system. The Political structure of the municipality consists of the Mayor, the Deputy Mayor and the Speaker as full-time office bearers. In total there are 18 councillors (inclusive of office bearers), which constitutes the municipal Council. Out of 17 councillors, 9 councillors are ward councillors, 1 Inkosi representing the Traditional Leaders and the other 8 are PR councillors. After the May 2011 Local Government Elections, Umtshezi was constituted by nine wards.

The municipality has an Executive Committee that comprises of 3 members, as per the political quota representation. There are also four sub – committees in which councilors serve and deliberate on matters to be submitted to EXCO and Council thereof. The committees are as follows:

- Infrastructure, Housing and Town Planning Committee, Rural development, Agrarian;
- IDP, Finance, Local Economic Development and Tourism Committee;
- Sports, Gender and Vulnerable Groups Committee, Health, Youth, Education, local Labour;
- Human Resources, Transformation and Safety / Security Committee;
- Peace and stability; and
- Local labour forum (LLF).

The Speaker and the Municipal Manager participate in functional IGR structures of the district. Frequent Sector Department meetings are held during the IDP Process.

Of importance also is the involvement of the both internal and external stakeholders in the decision making processes on Umtshezi. The Municipality has devised clear roles and responsibilities for each structure. For example, the internal role players include the councilors, officials, IDP steering committee and the representative forum (RF). The external role-players include the District Municipality, the ward committees as well as the sector departments. The RF provides a platform for all role players to take part in the decision making process to ensure the effectiveness of the IDP Development.

3.3.2.1 POWERS AND FUNCTIONS OF MUNICIPALITY

In realizing its Strategic Objectives, National and Provincial Priorities, uMtshezi Municipality will thrive to provide the following powers and functions as enshrined in the constitution and the Municipal Systems Act of 2000.

The following are the powers and functions of our municipality:

<ul style="list-style-type: none"> • Development planning and Local economic development; • Solid waste disposal; • Firefighting services; and • The establishment conduct and control of cemetery and crematoria. 	<ul style="list-style-type: none"> • Promotion of local tourism; • Air pollution; • Building regulations; • Storm water management; • Street trading; and • Control of undertakings that sell liquor and food to the public. 	<ul style="list-style-type: none"> • Street lighting; • Traffic and parking; • Electricity; • Local sports facilities; • Noise pollution; • Pounds; and • Municipal roads.
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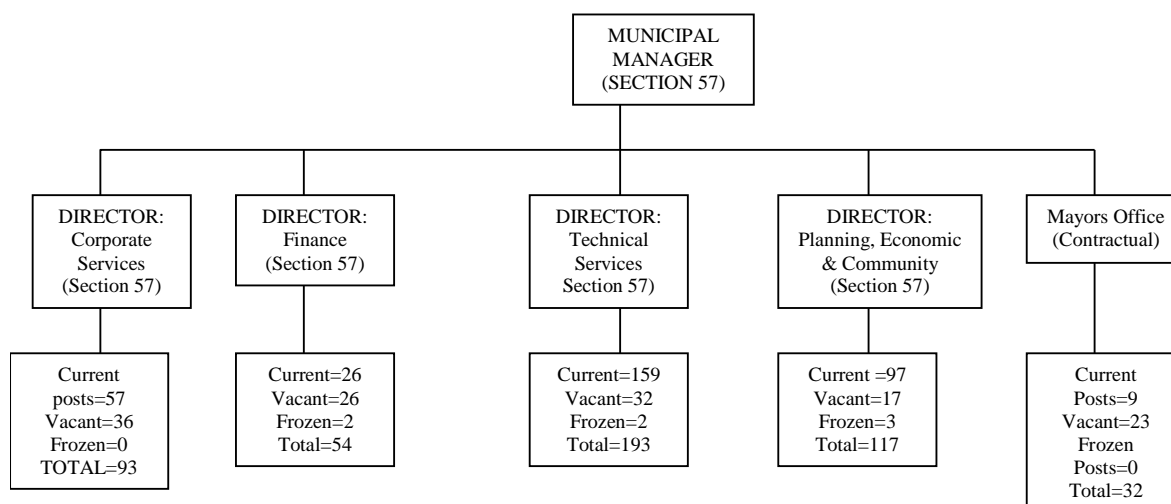
The Umtshezi Municipality does not have sufficient capacity, both human and financial capacity, to perform these powers and functions effectively and efficiently. To improve its capacity, the municipality as entered into an “ Agreement with the Department of Co-operative Governance and Traditional affairs.”

Business Plans have been developed to source funds from financial institutions and Donors, etc.

ORGANIZATIONAL STRUCTURE / ORGANOGRAM

The organogram has been developed so as to accommodate the HR needs of the Municipality.

Table 7: Organogram



UMTSHEZI MUNICIPALITY ORGANOGRAM

MUNICIPAL INSTITUTIONAL CAPACITY AND STATUS OF CRITICAL POSTS

On the administration institutional arrangement all Section 57 positions are filled. All section 57- Managers have performance agreements and charters. The diagram below presents the first page organogram of the municipality and division of powers and functions to different portfolios within the Umtshezi Municipality establishment to ensure the effective implementation of the IDP.

HUMAN RESOURCE STRATEGY

The Municipality has a Human Resource Strategy Document which responds to the long-term development plans which reflect on recruitment, retention, succession plan, scarce skills, skills development plan, etc, and an adopted organogram, with 380 current posts, 142 vacant posts and 2 frozen posts. There is a budget allocated for the review of the Performance Management System for the Municipality. The current Performance Management System (2012/2013) is fully functional, however there is a need to appoint a full time Performance Officer/Manager. The Municipality has established a Special Programmes Units that will ensure there is effective implementation of the Equity Plan in order to address the issues relating to HIV / AIDS, youth, gender, pensioners and people with disabilities. Policies to address the foregoing Special Programmes have been developed.

Comments on Skills Development and related expenditure and on the Financial Competency Regulations

Adequacy of training plans

Trainings planned for personnel development are line with the departmental needs concerned and training do equip personnel with required skills to effectively perform their duties. Training costs have become so expensive from service providers in such an extent that training budgets is exhausted before all training are finalised.

Training funding is expected to increase due to the increases by service providers.

3.3.5.1 EMPLOYMENT EQUITY PLAN

The uMtshezi Local Municipality embarked on drafting the Employment Equity Plan, which reflects the primary areas of the course of action to follow. This Plan is for all intent and purposes binding and should balance considerations of strategic business and with a justifiable equity rationale. The intention is that the policy be tabled at the Employment Equity Committee, since it is an integral part of the committee's objective to gain acceptance of the policy throughout the Municipality at all levels. This is compliance to the Employment Equity Act of 1998. The Municipality have constructively taken cognisance of

the results of an in-depth strategic analysis and preliminary information gathering process, as well as the need identified during the process.

This Employment Equity Plan presents proposals that will ensure that the workforce of the UMtsheni Local Municipality will be more reflective of the demographics of the Municipality with five (5) years. After five (5) years, the progress of the plan shall be reviewed. In designing this Plan, great care has been taken to consult all stakeholders and to reach consensus with them, to ensure that this plan enjoys wide support throughout the Municipality.

The targets set in terms of employment levels are more primarily aimed at top management and middle management, operative and supportive transformation. Other elements cover wide field and will, by their nature, affect all employees within the UMtsheni Local Municipality.

3.3.5.2 WORK SKILLS PLAN

The Municipality has approved the Skills Development Plan, which also includes the Workplace Skills plan. This plan promotes education and training in the Municipality and to empower all employees as per the Skills Development Act, Employment Equity Act and the Basic Conditions of Employment Act. The Workplace Skills Plan has enabled the acquisition of specialist skills required by legislation, specialist technical training, project management and planning, social/community/economic development and training, apprenticeships and administration skills. With the receipt of discretionary grants the critical and scarce skills training will be a priority in the development of a succession plan and staff retention strategy.

3.3.5.3 RECRUITMENT AND SELECTION POLICY

Recruitment is aimed at attracting, obtaining and retaining people with required competencies (knowledge, skills, and behaviour) and attitude. Recruitment also involves marketing Council careers in order to supply a sufficient number of potential employees for selection. In addition, recruitment actions will ensure that a continuous supply of high quality human material is available to meet the Council's immediate and future human resource needs. Recruitment is also attuned to establish a positive image of the Council as an employer in the labour market.

3.3.5.4 RETENTION AND EXIT POLICY

It is generally agreed that the achievement of the Umtsheni Municipality's strategic objectives is largely dependent on its ability to attract and attain high caliber individuals. This is particularly important with regard to defined critical occupations, strategically critical individuals and ensuring adequate succession.

Attraction and Retention rest on the following key principles:

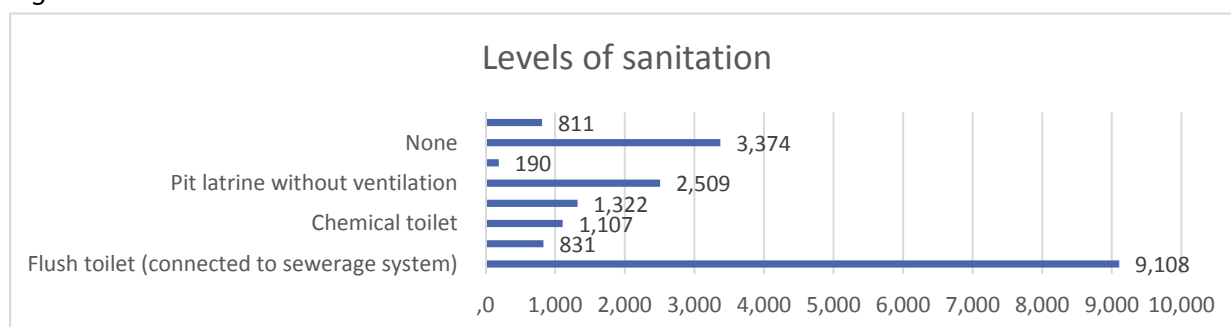
- Managing people well to ensure directed and motivated employees;
- Paying people competitively and rewarding superior performance;
- Developing people and retaining the by providing perpetual learning and challenge;
- Establishing a work-life culture and climate that is attractive and supportive; and
- Each of our four principles has to be weighed and balanced within a practical attraction and retention strategy.

3.4 SERVICE DELIVERY AND INFRASTRUCTURE ANALYSIS

WATER AND SANITATION

Access to water within 200m of one's home is an acceptable minimum standard irrespective of whether the water comes from a hand pump, borehole and a reticulation system supplied from a high yielding borehole or a reticulation system from a bulk line or reservoir. In the Umtshezi Municipality the water services backlog is at 7% (UTDM IDP 2009/2010) while the sanitation backlog is estimated at 8%. The planned housing projects are guaranteed access to water through CMIP funding. Thus housing development provides opportunities for households to access water and sanitation. This is a district competency and therefore housing projects have to be aligned to the district infrastructure plan to ensure that they the bulk infrastructure component of the development is supplied employment, housing and land, with people able to exercise control over their society, community and personal lives, and to invest in the future.

Figure 7: Sanitation

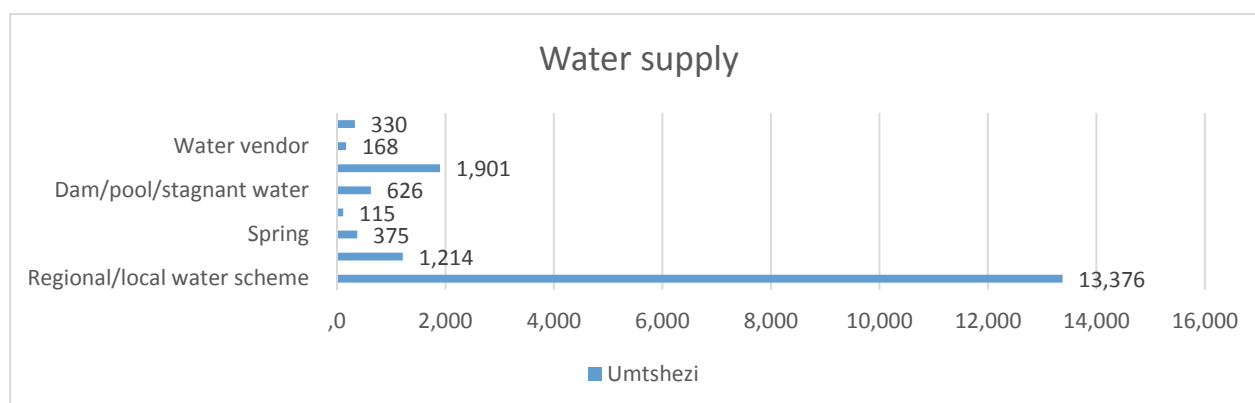


Source: Census 2011

In Umtshezi Local Municipality, the majority of the population have access to flush toilet connected to a sewerage system. The above is a clear indication of lower levels of services in Imbabazane Local Municipality.

The continued consumption of un-purified water exposes the community to water borne diseases and poses a major health risk. In Umtshezi Local Municipality, the majority of people receive piped water from the local water scheme and very little people use boreholes, rivers and water vendors.

Figure 8: Water supply

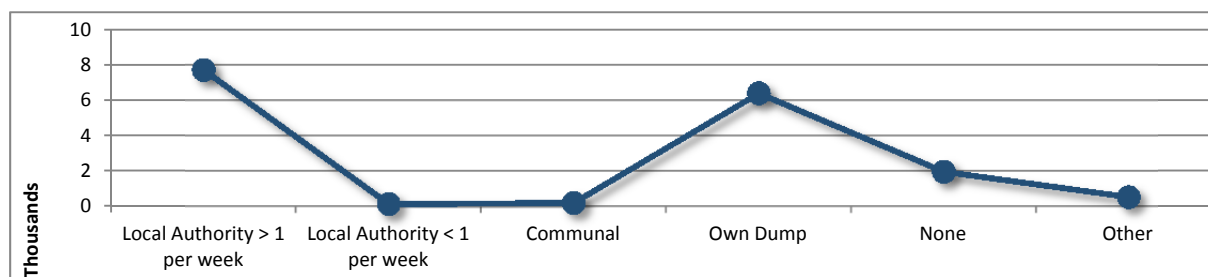


Source: Census 2011

SOLID WASTE MANAGEMENT

There is no municipal wide waste disposal site with the result that dumping is uncontrolled and litter bears testimony to this. Only Estcourt, Weenen and Wembezi experience some measure of waste management although there is a need for the identification of a new waste disposal site. The majority of people, especially in the farming areas, dispose of their waste on-site and diseases emerge because they do not have information on how to manage the situation. As a result, diseases are spread and animals are also exposed to hazardous conditions because of plastics. Awareness campaigns on the importance of proper waste management in attracting investment. Currently, funds are inadequate to provide formal waste disposal sites, hence, a Waste Management Plan is underway.

Figure 9: Waste removal



Source: Census 2011

INTEGRATED WASTE MANAGEMENT PLAN (IWMP)

In overall terms, Waste management is the collection, transportation, processing, recycling and/or disposal of waste materials. The term usually relates to materials produced by human activity, and is generally undertaken to reduce their effect on health, the environment or aesthetics. Waste management is also carried out to recover resources from it. Waste management can involve solid, liquid, gaseous or radioactive substances, with different methods and fields of expertise for each.

Waste management practices differ from one place to another, e.g. from urban to rural areas, and from residential to industrial producers. Management for non-hazardous residential and institutional waste in municipal areas is usually the responsibility of the local council authorities. Concurrently the management for non-hazardous commercial and industrial waste is usually the responsibility of its generator.

The primary objective of the IWMP is to optimize waste management through the waste tandem by maximizing efficiency and minimizing associated environmental impacts and financial costs and to enhance the quality of life within Umtshezi Local Municipality. The Waste Management Plan must also be integrated with the objectives of the municipal Integrated Development Plan (IDP) in the following ways:

- Waste Minimization and Recycling (explore business/employment opportunities)
- Waste Collection
- Waste Treatment and Disposal (including medical and hazardous waste)
- Waste Management Capacity Building and Awareness
- Waste Management Costs and Recovery
- Environmental Management (only limited to waste management)

The preparation of the IWMP is a requirement of the National Waste Management Strategy, as it requires that all Local Authorities develop and submit such plans to be incorporated into the wide provincial plan to improve the waste management scenarios at the local municipal levels.

Umtshezi municipality is currently developing an Integrated Waste Management Plan.

TRANSPORTATION INFRASTRUCTURE

The Municipality relies heavily on MIG funding for infrastructure development. The Municipality is working closely with the Department of Transport, through the Rural Transport Forums, in identifying roads that need funding and upgrading within the Municipality.

A Transport Plan has also been developed which stipulates clearly their plans for the building of new roads and maintaining in the next five years. The O&M of old roads is funded to a total of R1.2 million budgeted for the next financial year; these projects are included in the Project Schedule: Infrastructure and Services.

TRANSPORTATION INFRASTRUCTURE

PROJECT DESCRIPTION	WARD	INKOSI	AREA	2013/2014	2014/2015
Re-gravel: D 52	8	Private Land Owners	Frere	R1 800 000-00	
Re-gravel: D 500	9	Private Land Owners	Estcourt	R1 500 000-00	
Re-gravel: P 170	9	Private Land Owners	Midway – lowlands		R3 600 000-00
Re-gravel: P 176	5	Mthembu	Weenen		R2 400 000-00
Causeway: P 176B	5	Mthembu	Weenen		R3 500 000-00

DEPARTMENT OF TRANSPORT**PROJECTS PLANNED FOR 2016-2017, 2017-2018 AND 2018-2019 FINANCIAL YEAR**

PROJECT NAME	PROJECT DISCRIPTION	BUDGET	YEAR
1.Causeway on D385	Bridges and Culverts	7 800 000	2016/17
2.Construction of Vumbu Road	New gravel Road	1 000 000	2016/17
Regravelling	Regravelling	2 200 000	2016/17
Regravelling	Regravelling	600 000	2016/17
4.Regravelling of L112 (5,2 km)	Regravelling	1 000 000	2016/17
5.Regravelling of L116 (1,7 km)	Regravelling	2 600 000	2016/17
Steel Bridge Painting P1-8 Alice Bridge	Minor Structure Repairs	160 500	2017/18
Regravelling of L2011	Regravelling	2 400 000	2016/17
Regravelling of L473 (2,1 km)	Gravel Roads	1 523 000	2016/17
Rehab on P19	Maintanance of fence and km posts	321 000	2017/18
Maintanance and Repair Office Buildings	Minor Structure Repairs	60 800	2017/18
Construction of Maqaqeni Road	New Local Road	1.200 000	2017/18
Construction of Ntambose Road	New Local Road	2 700 000	2017/18
Construction of Buphofini	New Local road	2 880 000	2017/18
Contruction of Ugomba Road	New local Road	2 160 000	2017/18
Regravelling of P176 (10 km)	Gravel Road	3 600 000	2017/18
Regravelling of D488 (13 km)	Gravel Road	8 128 000	2018/19

Regravelling of P182 (13 km)	Regravelling	8 628 000	2018/19
Regravelling of L311 (5,5 km)	Regravelling	3 480 000	2018/19
Blading Contract KZ236	Blading	1 926 000	2018/19
Roads Patch Gravelling	Patch Gravelling	1 710 000	2018/19
9.Blading Contract KZN234	Drain cleaning and verges main	129 254	2016/17
Supply of Labour Weenen	Drain Cleaning and Verges Main	129 254	2016/17
Grass cutting P1-9,P13,P28,P19,P1-8,P331,P10	Grass cutting	129 254	2016/17

PROJECTS FROM THE DEPARTMENT OF TRANSPORT 2016/17,2017/18

PROJECT NAME	PROJECT DISCRIPTION	BUDGET	FINANCIAL YEAR
Forderville Clinic	Painting and Repairs	100 000	2018/19
Estcourt Hospital	Installation of New Generator	1 000 000	2016/17

ENERGY

The Umtshezi Municipality is divided into Eskom Licensed Area of Supply and the Umtshezi Municipality licensed area of supply. Currently all households within the Umtshezi Municipality Licensed area of supply are all electrified. The Municipality is currently doing in fills as well as electrifying the low income housing schemes that are being built. Therefore there are no electrification backlogs within Umtshezi Municipality Licensed area of supply.

Within Eskom Licensed Area of Supply but within Umtshezi Jurisdiction, there are households without electricity. The table below indicates the backlogs as well the progress to-date in addressing those backlogs.

All households that reside within the Municipal Boundary are within the electricity national grid; therefore it will be cost effective to provide the grid energy than the use of the renewable energy sources. The current plan is to connect all the people to the national grid as soon as the funds are made available. However, whilst plans are being made to connect everyone to the grid, there are areas that will have to be identified to be provided with the renewable energy i.e. Solar System.

The Municipality has signed the cooperative agreement with EDI Holdings and currently awaiting funding from the EDI Holdings to Ring Fence the Electricity Department as well as to establish the Separated Operated Entity (SOE). Also the Municipality in partnership with EDI Holdings will need to conduct workshops to ensure that the decision makers are refreshed on the matter. The Municipality signed the cooperative agreement with EDI Holdings and applied for funds to conduct the ring fencing as well as the MSA Section 78 Assessment. The EDI Holdings has programmes that Umtshezi Municipality will have their ring fencing as well as MSA Section 78 will be done in due course.

The Municipality conducted an assessment into its tariffs and it was found to be above the NERSA benchmarks, however financial shortfalls still exists. IBT's is currently being modeled and is being prepared as per NERSA regulations and will be ready for submission shortly. Budgeted maintenance has grossly affected the functioning of the Electricity Department, and this has resulted in the Municipality being strained financially in terms of resources to keep the electricity department going.

The Municipality is currently doing Skills assessment on its electricity staff to identify the skills gap as well capacity. This will inform the organizational structure review, the skills development as well as the optimum capacity required. The Municipality does have an Electricity Master Plan, but it is has not been updated. This Master Plan also deals with the electricity issues within the Umtshezi Municipality licensed area of supply. The Municipality will endeavor to review its Master Plan during the 2012/2017 Financial year.

The municipality tried unsuccessfully to fill the more technical vacant positions due to shortage of skills, technical pool available around Umtshezi. Those residing far could not accept the salary package noting that it is too low. Consultants were used to build internal capacity and to handle work, currently these employees are being empowered to take over the responsibilities.

Due to high Eskom tariff increases that will be passed on to Municipalities and the limit that NERSA has set on Municipal tariff increases, which is far below Eskom tariff increases, aggravated by the fact that the Municipal tariffs are far below NERSA bench marks, it is making it very difficult for the municipality to efficiently operate the electrical network and to find adequate finances, to maintain and upgrade the electrical infrastructure.

ACCESS TO COMMUNITY FACILITIES

Equitable access to social facilities such as to schools, clinics and police stations is an important indicator of the quality of life. Although, the majority part of Umtshezi Municipality fell within the former Natal, the area has suffered from decades of neglect in terms of the delivery of social facilities. As such, the need to address this issue is identified in the IDP as one of the key challenges facing the municipality.

3.4.5.1 EDUCATION

Spatial distribution of education facilities in relation to the population density reveals that some areas are not well provided with education facilities. This is based on the application of a standard of 1200 households per secondary school and 600 households per primary school. Areas that require urgent attention include Frere, Rensburg Drift, Cornfields and Thembalihle. In some instances, the settlement does not have sufficient threshold to warrant a school. This situation accounts for a high rate of school drop out and the associated functional illiteracy. This affects mainly the farm dweller households that are located in deep commercial farmlands.

3.4.5.2 HEALTH

An analysis of the spatial distribution of health facilities reveals the same pattern as that of education facilities. Areas such as Wembezi, and Weenen each have one clinic yet they provide service to large areas with households in excess of the norm of 6000 households per clinic or a clinic within a 5km radius from each household. Thembalihle, Rensburg Drift and Frere do not have stationery clinics. The rate of population growth in these areas emphasises a need for these facilities in these areas.

Health facilities in Umtshezi are as follows:

- Estcourt Hospital which is a district hospital servicing areas beyond the municipal boundaries.
- 6 clinics located in Wembezi, Estcourt (2), Weenen, Cornfields, Sahlumbe.
- Emergency rescue services (EMRS) found in Estcourt.

As with education facilities, an increase in density in some settlements increases service backlogs and forces people to walk travel long distances so as to access health facilities.

3.4.5.3 POLICE STATIONS

Umtshezi Municipality is generally well provided with police stations as each of the three major population concentration areas is developed with a police station. Information

pertaining to the location of crime scenes could not be obtained. Therefore it is difficult to establish the spatial pattern of crime in the area.

HUMAN SETTLEMENTS

The majority of the population resides in urban settlements of Weenen, Estcourt and Wembezi. This is informed by the historic growth pattern of the municipality. The two main nodes of Weenen and Estcourt evolved as agricultural service centres. While Wembezi complex on the other hand served the residential area of Wembezi, The municipal population of 83 153 residents distributed across seven municipal wards represents a range of predominantly urban, farming communities and rural settlements. Development intensity and housing need particularly is in the urban areas of Estcourt and Weenen and Wembezi with a population of 29 934 residents (49%) of municipal population. These settlements are located on the major activity routes.

The second largest population density with a population of 19 950 (33%) of municipal residents is located on privately owned commercial farmlands. The tribal areas make up 10 038 (16%) of the residents of the municipality.

Taking into account the composition of settlements, that is, urban population (49.9%), farmlands and tribal settlements that comprise 33% and 16 % respectively, it is evident that the 35% of traditional huts are in farmlands and communal areas. The municipal IDP (2008/2009) states that the houses in these areas are in a bad state of repair. They are subjected to periodic collapse during the rainy season or windy times. In terms of Section 9 (1) of the National Housing Act the municipality through its planning takes all reasonable and necessary steps to ensure that, conditions that are not conducive to health and safety of its residents are prevented and removed.

It is therefore without doubt that the greatest areas of housing need in the Umtshezi Municipality are the farmlands and tribal areas. This correlates to the housing development projects planned by the municipality as the majority of them are in rural settlements (see Table 5). The lack of housing development in the rural areas and farm areas can be ascribed to a number of factors, the most important of these being security of tenure on Ingonyama Land and lack of land ownership by farm dwellers.

The project linked subsidy which requires beneficiaries to have outright ownership of the site to which the subsidy relates has been until recently the preferred Housing subsidy Scheme. As a result thereof, housing development has taken place in urban areas as all the current housing developments are in urban settlements. The foreseen challenge in the housing development in farmlands is access to tenure, as this land is privately owned.

Consequently, there has been no development on Ingonyama Land and farmlands resulting in less than adequate housing standards. Almost half of the municipal population resides in these areas. The introduction of the Institutional subsidy now provides a mechanism for development on Ingonyama Land, which provides the beneficiary with a long term-lease. For farm dwellers access to housing opportunities is reliant on tenure reform.

Table 8: Housing projects

PROJECT NAME	FUNDER	VALUE	STATUS
Rensbergdrift	Dept. of Human Settlements	R77 868 000.00	Awaiting Tranche 1 approval
Mimosadale	Dept. of Human Settlements	R77 868 000.00	Tranche 1 approved. Busy with Tranche 2 – end June 2013
Owl and Elephant	Dept. of Human settlements	R41 114 000,00	Implementing agent appointed – Tranche 1 end April 2013
Msobotsheni	Dept. of Human settlements	R41 114 000,00	Implementing agent appointed – Tranche 1 April 2013
Cornfields	Dept. of Human settlements	R164 456 000,00	IA appointed – Conditional approval – end March 2013
Paapkuilsfontein	Dept. of Human settlements	No budget yet	Awaiting for acquisition of land to be sorted out by DoH
Mshayazafe	Dept. of Human settlements	No budget yet	Waiting for authority to advertise project
Wembezi A Section	Dept. of Human settlements	R75m	Project enrolled for rectification – proposed budget R75m
Kwanobamba 1&2	Dept. of Human settlements	No budget yet	Project enrolled for rectification – waiting for NHBRC report
Nhlawe	Dept. of Human settlements	No budget yet	

We have adopted our housing Sector Plan, which has been reviewed accordingly. We have incorporated our Reviewed Housing Sector Plan within our IDP with proper integration of housing programmes and projects.

TELECOMMUNICATIONS

Telecommunications and information technology is universally accessible and reliable. Social infrastructure, focussed on educational, health and recreational facilities meets all communities needs.

Umtshezi Municipality is currently engaging with different service providers to ensure that there are enough network towers erected in the area of Umtshezi. Umtshezi is current encouraging more broadband networks to increase productivity and innovation in the area.

3.5 LOCAL ECONOMIC DEVELOPMENT AND SOCIAL DEVELOPMENT ANALYSIS

LOCAL ECONOMIC DEVELOPMENT ANALYSIS

3.5.1.1 COMPETITIVE AND COMPARATIVE ADVANTAGES

The national LED strategy noted that state expenditure (at all levels) is having a limited impact on development goals. This strategy intervention is based on the use of the municipal procurement system to undertake targeted and preferential procurement. This should be undertaken as a specific study within the corporate services section. The intervention should not end at this point – but also the Municipality should monitor that any other state agencies are ensuring that maximum benefits are accruing to local enterprises and local labour. This would include infrastructure development such as water systems and road construction.

LED has been now well institutionalised within KZN234. All staff, councillors and residences of this municipality are fully aware of the importance of LED and are indeed aware of our LED Strategy. We have reviewed and reflected more details of our LED strategy and associated projects within our reviewed IDP. We have placed more emphasis on the implementation actions and progress with regard to the LED in our current IDP. Proper alignment has been ensured of our LED Strategy and realistically practicability in line with the PSEDs and ASGI-SA. Further, our LED Plan is fully aligned to our SDF and are spatial reflected.

3.5.1.2 MAIN ECONOMIC CONTRIBUTORS IN UMTSHEZI

The economy experienced a negative growth rate until 1999 – 2000, and even since then has exhibited a fluctuating growth rate in spite of the national positive growth. In terms of sectors the area has had mixed success. The three most positive private sectors remain agriculture, manufacturing and trade. These are also the three most important sectors historically. The three sectors differ in their forecast in terms of potential growth, challenges, and the future of employment demand.

The manufacturing and agri-processing sectors remain important, but have experienced a decline. The Estcourt area has been a key center for the processing of agricultural products (60% of manufacturing was previously in food processing) – mostly meat and dairy products. There are obvious important backward and forward linkages between agriculture and food processing, which can be exploited. The manufacturing sector was well established in the past but has experienced a steady decline with a number of large firms closing down. The decline was partly a result of the national slow down in the sector, but also as a result of industries moving to larger centers. The remaining industries are exhibiting growth as the sector has been growing in terms of GDP/GVA, but not in employment. The upturn in manufacturing will not necessarily lead to industries coming back.

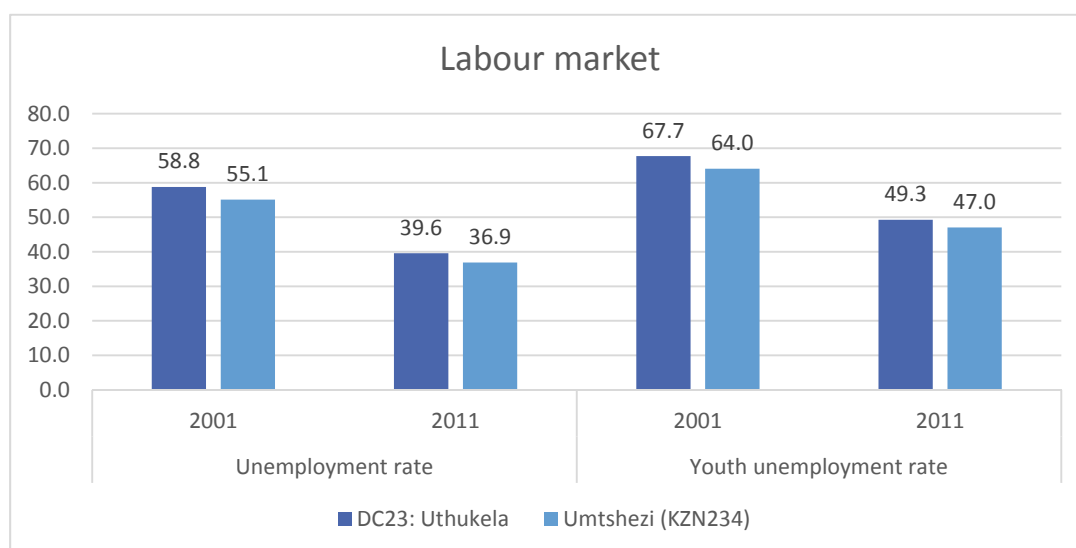
The agricultural sector is well established and indicates a level of stability in terms of employment¹. There are two key challenges in the sector. The first is that there is a dependency on traditional crops and products with very little innovation or value addition. The second is that the sector appears to be struggling with the possible impacts of land reform. There have been some positive signs as the Estcourt Farmers Association has been investigating the local solution developed at Besters near Ladysmith. At the same time there is also an area proposed for the Gongolo Game Reserve which has been unable to develop a common vision.

The decline in manufacturing employment is notable and a cause for concern. The decline is probably associated with the closure of some firms, the sensitive nature of the sector to broader trends (foreign exchange, cost of raw material, transport etc) and an increase in mechanization. The sector has been growing in terms of GDP/GVA, but not in terms of employment. The increase in employment in community services is largely linked to the establishment of wall-to-wall local government and the expansion of the public sector. This trend will tend to slow as new government structures have been established. The stability in employment in the agricultural sector is positive as this sector is a large employer and has experienced a general down turn in employment at a national level. The construction sector should be showing an improved growth in employment, as should trade. There may have been additional capacity in these sectors, which meant growth could take place without additional employment. Additional capacity may also have been taken on as 'casuals' without permanent employment being created. Finance has remained stable, although the sector is growing.

3.5.1.3 EMPLOYMENT AND INCOME LEVELS

The economic analysis undertaken in the Status Quo report indicates that the poverty and unemployment rates in Umtshezi have increased, with employment opportunities not being created quickly enough for the number of people entering the labour force. The Development Bank (2005) has clearly indicated that employment (a job or an income generating activity) is the best protection against poverty. This means that any strategy must protect and build formal employment and assist the poor and second economy participants to access opportunities. The balance between the two approaches and the use of available resources is also important. The most disturbing trend is that unemployment and poverty levels will continue to increase unless a new approach is developed. This is despite a growing economy (see Table 1 below). The point is that the economy will not create as many formal sector opportunities as there are job seekers. Future opportunities need to be generated in more creative ways.

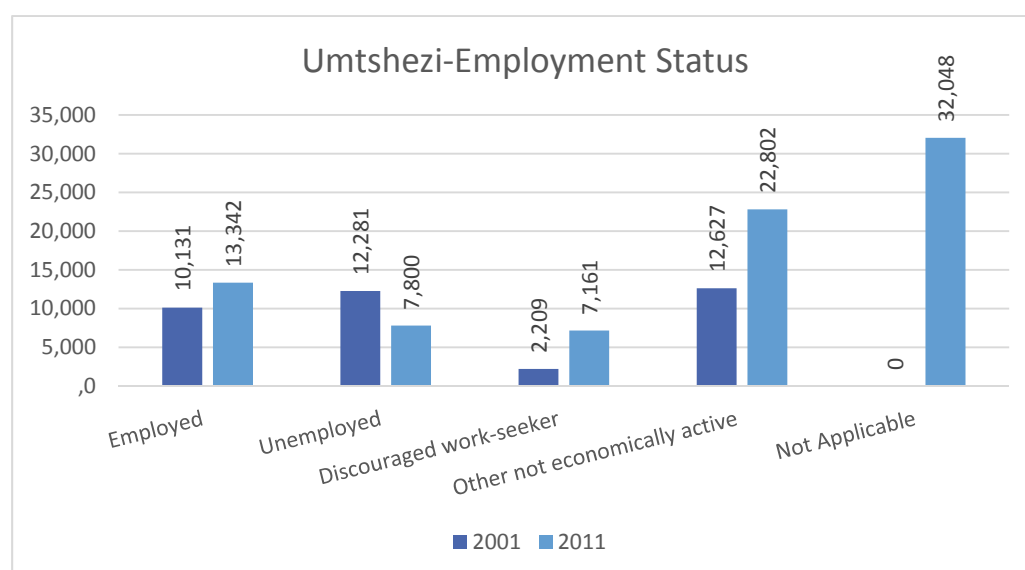
Figure 10: Labour market



Source: Census 2011

Umtshezi Local Municipality: 8.6% are discouraged work seekers, while 27.4% are not economically active.

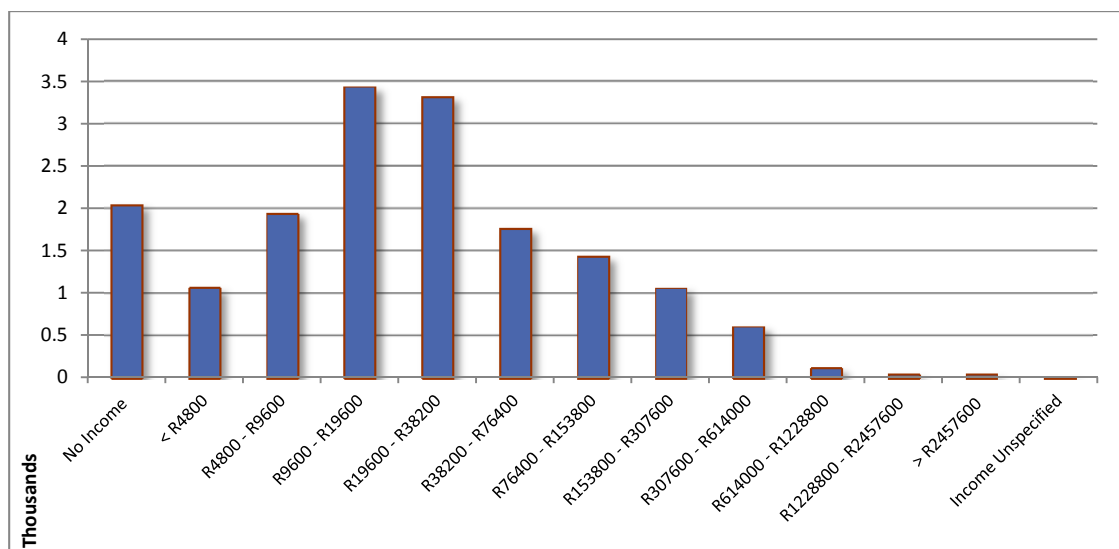
Figure 11: Employment status in Umtshezi



Source: Census 2011

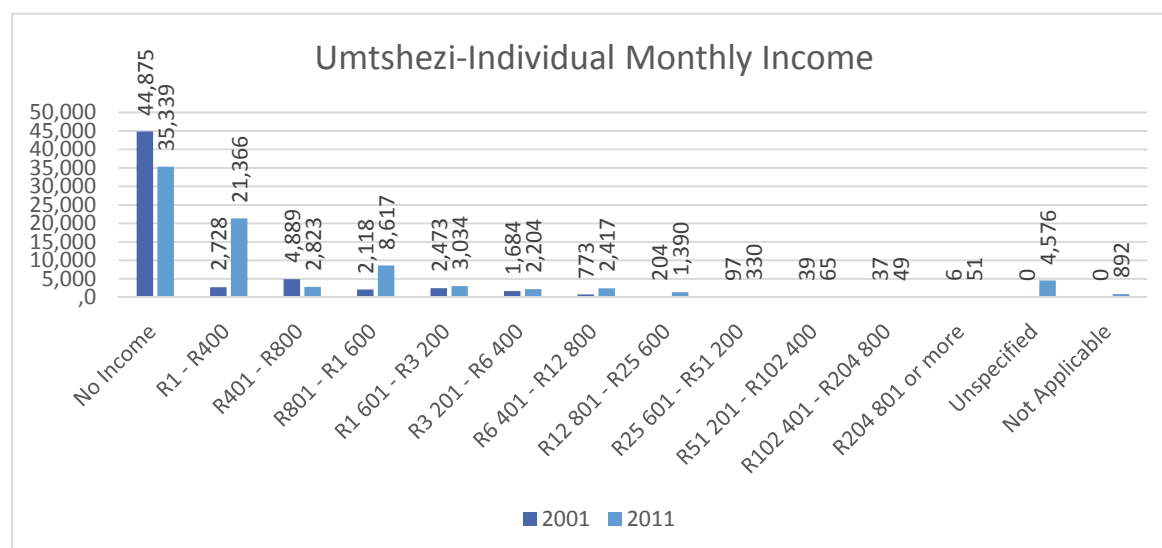
Table 9: Household income

ANNUAL HOUSEHOLD INCOME	PERCENTAGE (%)
No income	27 %
R 1 – R 4 800	10 %
R 4 801 – R 9 600	20 %
R 9 601 – R 19 200	13 %
R 19 201 – R 38 400	11 %
R 38 401 – R 76 800	9 %
R 76 801 – R 153 600	7 %
R 153 601 – R 307 200	2 %
R 307 201 – R 614 400	0.7 %
R 614 401 – R 1228 800	0.1 %
R 1228 801 – R 2457 600	0.2 %
TOTAL:	100 %



The above figures indicate that on average 27% of the households are surviving on less than R12 per day. This indicates high dependency ratios in that most of the households may be surviving on government grants ranging from old-age pension grants, disability grants etc. Even if households employ informal or illegal survival strategies it is unlikely that they generate substantial income given the general lack of viable economic base within rural areas. This situation indicates a need for development of local economic development activities that will ensure that households do manage to have access to the bare minimum of household's amenities.

Figure 12: Umtshezi Local Municipality - monthly income



Source: Census 2011

3.5.1.5 TOURISM

It is difficult to obtain local statistics for tourism in the Umtshezi municipality. However, tourism is one of the sectors that have contributed to the economy of Umtshezi both directly and indirectly. There are surrounding tourism activities that have major influence on the tourism sector of Umtshezi. The main tourist destinations in the area include:

- The Midlands meander, which is an arts and crafts route around the Pietermaritzburg, Hilton and Howick and Mooi River;
- Drakensberg Resorts that is a National Heritage Site. The Drakensberg Mountain Range is a well-established holiday destination for local tourists.;
- Thukela Biosphere Reserve and Weenen Nature Reserve. These areas focus on eco-tourism;
- Battlefields Route – This route encompasses a number of towns in the region in which historic battles took place. Along the route, events are planned which include re-enactments of battles; and
- Bushmans Experience– This route starts in Estcourt/ Wembezi and is designed to capture tourists visiting the above destinations, as well as to create a local Umtshezi tourist destination.

There is an existing Tourism Association in Umtshezi, which has a membership of 85% of the Bed and Breakfast establishment in the area (KZN Tourism Brochure).

3.5.1.6 SMALL MEDIUM AND MICRO ENTERPRISE (SMME)

The municipality is currently supporting the SMMEs in the following activities:

- Skills Development and Training, in partnership with the KZN Department of Economic Development; and

The municipality has also made a budget available for attending to the requests or needs of the SMMEs as and when required

3.5.1.7 INFORMAL SECTOR

The most disturbing trend is that unemployment and poverty levels will continue to increase unless a new approach is developed. This is despite a growing economy (see Table 1 below). The point is that the economy will not create, as many formal sector opportunities as there are job seekers. Future opportunities need to be generated in ways that are more creative.

Unemployment Rate:			
	Male	Female	Total
2011	43.6%	57.5%	50.0%
2012	53.1%	73.7%	62.7%
2013	40.0%	60%	29%

3.5.1.8 MANUFACTURING

The following industries were identified within the municipality:

- Eskort Bacon Factory (Meat Processing);
- Masonite (Manufacturing of Masonite Board);
- Narrowtex (Manufacturing of Safety / Seat Belts for vehicles);
- Clover (Dairy processing e.g. Milk and cream);
- Nestle South Africa (Food Processing, e.g. Skimmed Milk, Hot Chocolate, Chocolate and other products);
- ECO Plant (Processing of food for animals);
- Cabortech (Manufacturing of Charcoal);
- Glamosa PTY LTD (Manufacturing of Glass and related items);
- Midlands Beer Distribution (Distribution of Beer and related items to the customers of the South Africa Breweries); and
- Other light industry.

3.5.1.9 MINING

Umtshezi Municipality is currently having the following Mining activities within its area of jurisdiction:

Company Name	Description of Company Activities
Blue Chip Quarry (PTY) LTD	<p>The company specialises in the mining of aggregate and supply of the following:</p> <ul style="list-style-type: none"> • Concrete Stones; and • Other stone-type material required for General Building or Civil Work.
Buckus Sands (PTY) LTD	<p>The company specialises in Sand Mining and supply of the following:</p> <ul style="list-style-type: none"> • Concrete Sand; • Plaster Sand; and • Building Sand.
Ngodini Mine	<p>The mine specialises on:</p> <ul style="list-style-type: none"> • Coal mining • Electricity

3.5.1.10 SERVICES

Umtshezi Municipality offer many services i.e. cleaning and cleansing services, Waste Management services with a huge number of employees, we also have the electricity services who works day and night so as push service delivery, the water services are controlled at UThukela district Municipality.

3.5.1.11 LED SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Strategic Location of Umtshezi Municipality • Drakensberg World • Heritage Sites available within the area • Environmental and Cultural Sites available within the area • Good Agricultural Land • High Development Indicators for Umtshezi Municipality • Strong Manufacturing base within the area • Key Industrial Area in the town of Estcourt • Significance Index for Agriculture increase for Umtshezi 	<ul style="list-style-type: none"> • Inadequate basic Infrastructure provision and Unstable water supply • Our failure to optimise the tourism opportunities • Dependency ratio is too high • HIV prevalence is high • Lack of support skills in Tourism Industry • Decline in formal employment and Increase in informal employment but no policy to support it • LED strategy is outdated and lacks implementation plan • Umtshezi Municipality has not yet created an enabling environment for LED
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Location on the N3 development corridor, this can provide more opportunities in the area • Optimum utilization of natural, cultural and historical assets for further economic growth • Vast space of Agricultural Land to be used for primary and secondary production • Explore growth of transport, storage and communication sectors • Need to improve recreational, medical, housing and schooling facilities • Specific interventions to stimulate economic growth • Potential to develop retail facilities • Opportunity for further growth of the tourism, and manufacturing sectors 	<ul style="list-style-type: none"> • Unsustainable development practices • Development along the N3 corridor could threaten CBD • HIV prevalence • No employment opportunities and skills development opportunities created, social challenges can escalate to further marginalization • Failed Land Reform Programme • Relocation of Industries • Poor Global Economy • Decline in manufacturing and agricultural sectors • Lack of sound business incentives • High tariffs • Political instability • Disjointed planning • Lack of resources, communication and partnerships

SOCIAL DEVELOPMENT

The municipality aims to improve access to social development services and information with this chapter. Core to this chapter is the need for social needs analysis and programmes to facilitate interfaces between different spheres of government charged with social development role.

3.5.2.1 EDUCATION

There is great concern over the distribution of crèche's, primary and secondary school facilities in the municipality. The quality of education in schools is also not satisfactory because of the shortage of teachers and location of schooling facilities in private land (farms). In some clusters high school learners have to travel long distances because of uneven distribution of schools. The planning of education facilities is complicated by the fact that some parents may choose to support schools in other areas because they are perceived as offering a better service.

Table 10: Population group by Educational Institution

	Pre-school	Primary	Sec-School	College	University/Univ. of Technology	Adult basic Edu.	Other	Not App.	Total
Blk	1.462.8	5.916.87	5.314.09	311.363	377.430	377.430	101.954	24.768.931	38.255.167
Col.	112.34	561.299	410.765	28.564	34.739	34.739	8.530	3.219.235	4.375.527
Indian	26.380	125.597	105.351	12.564	45.007	45.007	3.957	925.777	1.244.634
White	108.54	349.659	339.155	45.423	155.283	155.283	11.853	3.616.820	4.626.733
Total	1.710.066	6.953.426	6.169.361	397.914	612.459	612.459	126.294	32.530.764	48.502.06

3.5.2.3 HEALTH SECTOR ANALYSIS

Furthermore, the distribution of clinics and other primary health care facilities within the municipality is uneven with the result that some clusters are left out. There is one hospital in the municipality, which provides for emergency services and hospital care. The Primary Health Care facilities vary in size and they cater for prams and wheelchairs, i.e. the facilities are user friendly. The impact of HIV / AIDS enhances the need for hospitals and clinics.

3.5.2.3.1 HIV / AIDS

There is still a great deal of ignorance about the spread of HIV/AIDS. The HIV Prevalence in Umtshezi Municipality for the Period April 2009 to October 2009 is 36.4%. The District is at 30.9%. Access to social welfare services still poses another challenge on the access to social services. The Department of Welfare and population Development is working together with the Municipality in ensuring that such services are rendered to the local communities. This is one of the priority areas for the Municipality. The scourge of AIDS affects all the citizens of this country, mostly the youth. Umtshezi Local Municipality has realized that HIV/AIDS pandemic will have a devastating impact on its socio-economic development programs and formulated the HIV/AIDS council that was launched in 2007. This has led to the formation of HIV/AIDS development plan, which seeks to ensure that HIV/AIDS infection rates are lowered and that those who are affected and infected with the pandemic are given a necessary support. The Municipality will embark on HIV/Aids programmes during the 2012/17 financial years that would contribute to the mitigation of this pandemic.

3.5.2.3.3 SPORTS COUNCIL

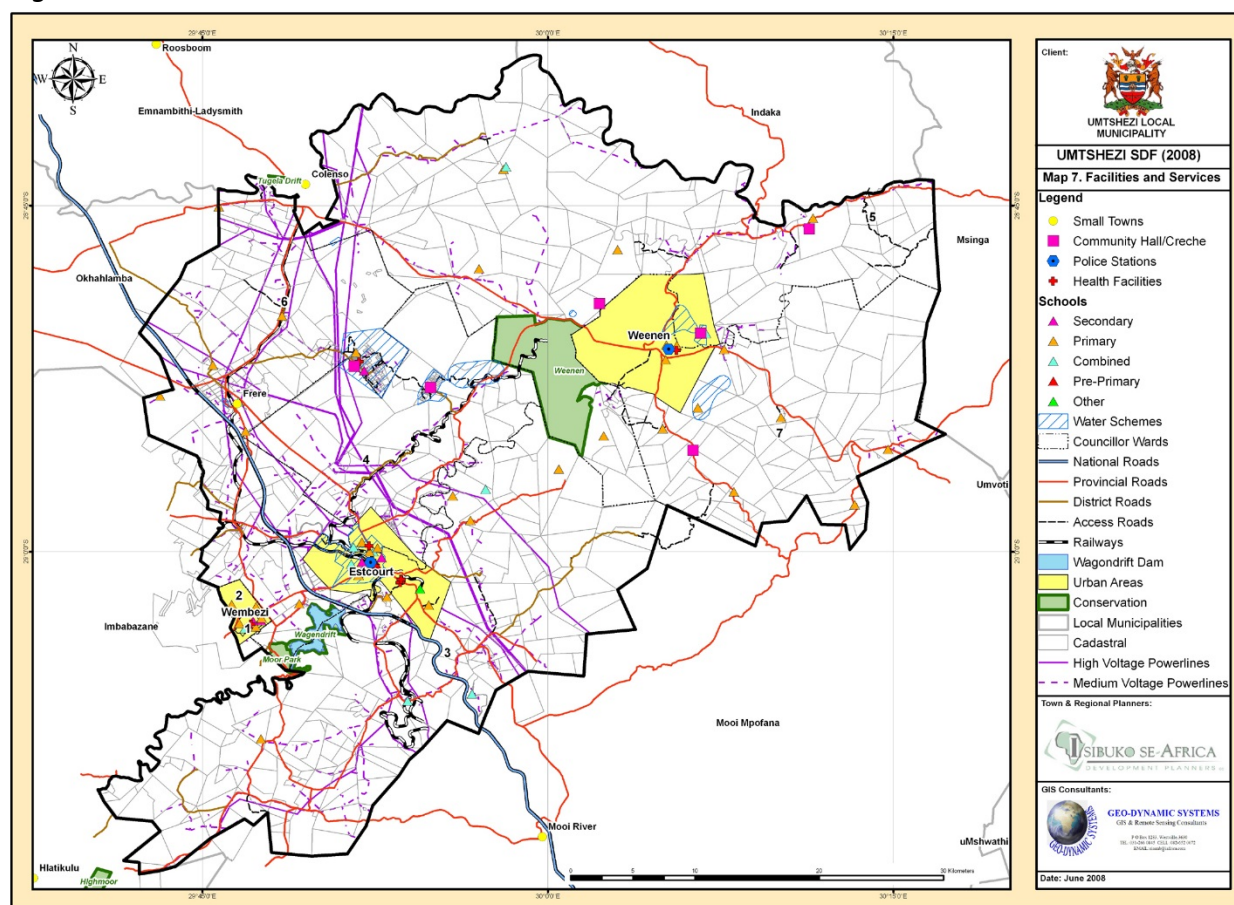
The absence of sport and recreation facilities in the municipality has a direct relationship with crime and prevalence of HIV/AIDS among the youth. The facilities that exist are located only in urban settlements making them unreachable for the rural communities. There is a huge bias towards soccer and other sporting codes are not catered for. The provision of facilities is a matter of urgency so as to keep the youth engaged and thus reduce crime incidents. The youth need extra mural activities to keep them busy. The youth can develop their talent and get to professional level. The Departments of Education and Sports and Recreation are part of the IDP Forum as well as the service provider's forum where these priority areas are debated at length and addressed to a certain extent by the relevant sector department.

3.5.2.3.3 CEMETERIES

Some communities within the Municipality are still practicing on site burials as a cultural phenomenon and there is a general shortage of burial sites in the municipal area. There are negative environmental implications because of contamination of ground water. The land that has been used for cemetery purposes and it cannot be used for any other purposes. There needs to be intensive awareness campaigns so as to sensitize people about the importance of using clearly demarcated cemeteries as per National Water Act, Act No.36 of 1998 and KwaZulu – Natal Cemeteries and Crematoria Act, Act No.12 of 1996 require that suitable buffers be put in place as determined by a qualified professional. Uthukela District

Municipality conducted the Cemetery Crematorium Identification Study and the findings are yet to be implemented.

Figure 13: Facilities



3.5.2.4. SAFETY AND SECURITY

3.5.2.4.1 POLICING / COMMUNITY FORUMS

There are Community Policing Forums in all nine wards, working together with the Chairperson of Safety and Security in the Municipality Councilor B. Sulleman we do observe changes at Umtshezi Municipality, our municipality has been identified as one of the municipalities where there is a lot political intolerance as per MEC Willies Mchunu's report, the forums are working closely with the SAPS in the affected areas.

3.5.2.4.2 TRAFFIC MANAGEMENT

There six fulltime traffic officers in the Municipality as a whole, there are four in the College who will complete by June 2014. We only have three examiners, four clerks and one Supervisor.

The daily duties of the traffic department is to concentrate and manage scholar patrols during school working days, control on CBD parking, attend to crashes, obstructions, deviation through town. The examiners concentrate in learners' testing and vehicle testing. The management is also responsible for submission of fines.

3.5.2.4.3 NATIONAL BUILDING AND SOCIAL COHESION

Defining social cohesion

The department of Arts and Culture defines social cohesion as the degree of social integration and inclusion in communities and society, and the extent to which mutual solidarity finds representation among individuals and communities.

In terms of this definition, a community or society is cohesive to the extent that the inequalities, exclusions and disparities based on ethnicity, gender, class, nationality, age, disability or any form of distinctions that engender divisions distrust and conflict are reduced or eliminated in a planned and sustained manner. This, with community members and citizens as active participants, working together for the attainment of shared goals, designed and agreed upon to improve the living conditions for all. Hence, the IDP plays this vital role in our proximities together with the people of uMtshezi across all cardinal points to plan as to how their budget should be utilized according to their needs.

Defining Nation-Building

Nation-building is the process whereby a society with diverse origins, histories, languages, cultures and religions come together within the boundaries of a sovereign state with a unified constitutional and legal dispensation, a national public education system, an integrated national economy, shared symbols and values, as equals, to work towards eradicating the divisions and injustices of the past; to foster unity; and promote a countrywide conscious sense of being proudly South African, committed to the country and open to the continent and the world. Nation building in this sense, and in the context of South Africa, cannot be the perpetuation of hierarchies of the past, based on pre-given or ethnically engineered and imposed divisions of people rooted in prejudice, discrimination and exclusion. It calls for something else; that is a rethinking, in South African terms, of what social cohesion, linked to nation building, should be. It should, no doubt and in essence, be directed towards the practical actualisation of democracy in South Africa.

Accordingly, a nation is conceived as a social formation based on the unity and equality of its members consisting of the following shared and recognised attributes:

- Shared Origin and history
- An internationally recognised territory
- A unitary sovereign state
- A single judicial system
- Single public education system
- National recognised languages
- National recognised cultures
- National recognised religions
- Shared values
- Shared Symbols
- A shared national consciousness

In South Africa, the diverse cultures, languages and religions should not be seen as impediments to national unity given the statutory equality accorded to all citizens.

SOCIAL COHESION PROJECTS

- Community conversations/dialogues;
- Comments from these communities' conversations are incorporated into the National Social Cohesion strategy and informed discussions in the National Social Cohesion Summit;
- The community conversations are an on-going project.

3.5.2.5 COMMUNITY DEVELOPMENT WITH SPECIAL FOCUS ON VULNERABLE GROUPS

3.5.2.5.1 YOUTH DEVELOPMENT

Umtshezi Municipality has a current project for the Youth to equip them with skills in Carpentry, Plumbing, Masonary and Bricklaying. We have also involved the youth in sports where we conducted a successful 2013 Mayoral Cup event and currently we are working on introducing more sports code e.g Volleyball and Rugby. An Internship program for the graduates' students is also on the way with Phelonong where the Municipality will host so Interns in order to equip them with work experience.

3.5.2.5.2 DEVELOPMENT OF PEOPLE WITH DISABILITIES

A disability forum that had existed since 2006 was obliterated in 2013 hence a new committee was launched on the 03 May 2013. Since the establishment of the new committees numerous meetings have been held which have proved to be very productive.

The Municipality is actively involved in the development of people with disabilities and a number of concerns have been raised by the forum on behalf of all disabled people within Umtshezi Municipality. The Municipality is currently doing well in the area of disability although there are challenges such as appropriate access for disabled people. Progress is traceable.

3.5.2.5.3 DEVELOPMENT OF THE ELDERLY

Umtshezi municipality is one of the Municipalities that was vigorous in launching its senior citizen forum within Uthukela District. This subsequently resulted in luncheon clubs being established almost in all wards. The municipality is actively involved in the development of elderly group as we promote Golden Wednesday in partnership with Department of Sports and Recreation on monthly basis. The Municipality also adhere to Age in Action's Event Calendar and where expedient implement some of the events. Three citizens within Umtshezi municipality have participated in as far as Provincial golden games of which one was eliminated and two proceeded to National Golden Games. It is apparent that the Municipality is playing an active and supporting role to Uthukela Department of Sports and Recreation which is the overseeing department in Senior Citizens programmes.

The Municipality has shown great progress over the years in the field of Development of Senior Citizens. Although the Municipality has a task to prelaunch most luncheon clubs within its jurisdiction due to eternal sickness or death of senior members, the wing of senior citizens is both functional and effective.

3.5.1.1.4 DEVELOPMENT OF WOMEN

Umtshezi Municipality has various projects to develop women in the Municipality, working together with the LED Manager all women of Umtshezi are motivated to form co-operatives and they receive free training by DTI. The Izwi Labafelokazi (Widow Fellowship) was introduced at Umtshezi council in 2013, the councilors are willing to work hand in hand with these women.

3.5.2.4.5 PEOPLE AFFECTED BY HIV / AIDS, CRIMES & DRUG ABUSE, ETC.

The HIV/AIDS Coordinator worked closely with the ward committees to form LACs (Local AIDS Committees) successfully they were formed, the statistics is collected every month from the local hospital which work the programme with all local clinics at Umtshezi and Imbabazane local Municipality, The ARVs are successfully roll out though the hospital covers two Municipalities and the clinics in them. Working with Operation Sukuma Sakhe we are able to profile community members affected and infected, a number of learners in our municipality are from child headed families and they are so much involved in drugs.

3.5.2.6 SOCIAL DEVELOPMENT SWOT ANALYSIS

STRENGTHS	OPPORTUNITIES
<ul style="list-style-type: none"> • Adequate Available and allocated budget • Available programmes will develop the youth in terms Skills Development 	<ul style="list-style-type: none"> • Employment opportunities for the youth • New business venture from skills development programme
WEAKNESSES	THREATS
<ul style="list-style-type: none"> • Low moral from the local youth because of faults information made available by Non Designated Persons • Un-employable youth due to High School Drop outs • Un employed youth 	<ul style="list-style-type: none"> • Unrest the local youth due to the canter not being operational • Lack of resources e.g. Internet and telecoms • People to take advantage of the youth by provision of wrong information

3.5.2.8 BROAD BASED COMMUNITY NEEDS (THREE PRIORITY PROJECTS PER WARD)

WARD	THREE PRIORITY PROJECTS
1	<ul style="list-style-type: none"> -Dropping Centre -Youth Centre -Shopping Centre
2	<ul style="list-style-type: none"> -Creche at Longhomes -Park -Sewer Upgrade
3	<ul style="list-style-type: none"> -Hall at Brynbella -Rehabilitation of Parks -Community Service Centre
4	<ul style="list-style-type: none"> -Allocation of land for Community gardens in Forderville and Collitta. -Repair potholes and Rehabilitation of Roads. -Upgrade parks and recreation facility in Forderville,Collitta and in the CBD.
5	<ul style="list-style-type: none"> -Creche -Electricity -Community Hall
6	<ul style="list-style-type: none"> -Community Hall in Rensburg -Drainage in Paapkuilsfontein -Creche in Paapkuilsfontein

7	<ul style="list-style-type: none"> -Community Service Centre -Water and Electricity at Mhlumba and Mngwenya. -Network Tower.
8	<ul style="list-style-type: none"> -Water at Milton,Chieverley,Clouston Farm,Vumbu,Ngodini -Electricity at Clouston Farm.Chieverley,Milton -Sanitation
9	<ul style="list-style-type: none"> -Hall at Emabhalonini -Tarred Road at Emabhalonini -Betterment of Rural Roads at KwaMatshezib

3.6 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

Umtshezi Municipality has recognized that to be successful, the IDP must be linked to a workable financial plan. The purpose of the five-year financial plan is to create the medium and long-term strategic financial framework for allocating resources through the municipal budgeting process and to ensure the financial viability and sustainability of the Umtshezi Municipality's investments and operations.

The table below shows the Financial Viability and Management Plan:

M U N I C I P A L F I N A N C I A L V I A B I L I T Y A N D M A N A G E M E N T										
Performance Objective	Weight		Key Performance Indicator	Baseline	Annual Target	Budget	Quarterly Targets			
	PO	KPI					Q1	Q2	Q3	Q4
To ensure sound Financial anagement Services in line with legislation . Reporting . Budgeting . Accounting			SCM Policy approved	Policy currently in use	Reviewed	Internal budget				
			Number of SCM Reports	4 reports are required.	4	Internal budget	1	1	1	1
			% Improvement on the quality of Section 71	Section 71 reports needs improvement	10%	Internal budget	2%	2%	3%	3%
			% Improvement on the quality of Section 72	Section 72 reports need to be improved	10%	Internal budget	2%	2%	3%	3%
			Timeous and correct	Statements not always correct	12 (monthly)	Internal budget	3	3	3	3
			% Increase in customers satisfied about statements	15% of clients are unsatisfied about the statements	5%	Internal budget	2%	1%	1%	1%
			Updated Indigent Register	Indigent Register compiled and approved	Monthly	Internal budget	x			
			% Increase in debt collection	70% debt is collected	15%	Internal budget	5%	5%	3%	2%
			% Debtors database cleansing	Debtors database has duplicate records and very old “non-moving” records	90%	Internal budget	20%	60%	5%	5%

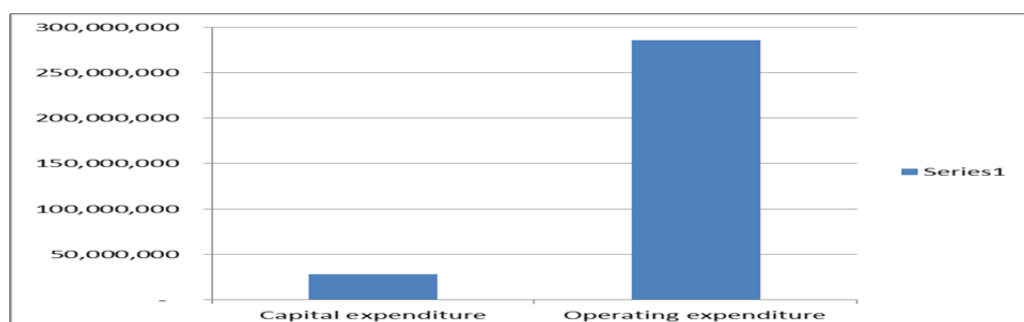
Performance	Weight		Key Performance Indicator	Baseline	Annual Target	Budget	Quarterly			
	PO	KPI					Q1	Q2	Q3	Q4
			Investment and loans	Manual Investment and	12 (monthly)	Internal budget	3	3	3	3
Render Accounting			Number of risk reviews	Risk assessment conducted	4	Internal budget	1	1	1	1
			% Reduction in the number of VAT audit	Monthly VAT Returns with audit queries	5%	N/A			5%	
			% Reduction in the number of 2012/13 audit queries	Previous year audit queries not resolved	50%	N/A			25%	25%

3.6.1.1 CAPABILITY OF THE MUNICIPALITY TO EXECUTE CAPITAL PROJECTS

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The spending in terms of the capital budget was slow during year. This was mainly due to the fact that there were amendments to contracts for capital projects as was mentioned under the grant expenditure information above.

Below is a table that highlights the expenditure :



The municipality has the capacity to execute Capital Projects since there is a Project Management unit situated within the PECS and Technical Departments as follows:

Technical Services:

Position	Technical Expertise required
Director: Technical Services	Relevant Qualification: Civil Engineering / Electrical Engineering
Senior Manager: Civil Engineering	Relevant Qualification: Civil Engineering / Project Management
Senior Technician: Civil Engineering	Relevant Qualification: Civil Engineering / Project Management

Position	Technical Expertise required
Senior Manager: Electrical Engineering (DEVELOPMENT)	Relevant Qualification: Electrical Engineering / Project Management
Senior Manager: Electrical Engineering (PLANNING)	Relevant Qualification: Electrical Engineering / Project Management
Senior Technician: Electrical Engineering	Relevant Qualification: Electrical Engineering / Project Management

Planning, Economic and Community Services

Position	Technical Expertise required
Director: Planning, Economic & Community Services	Relevant Qualification: Town and Regional Planning / Development Studies / Community Development
Development Manager	Relevant Qualification: Project Management
Human Settlements Manager	Relevant Qualification: Housing / Project Management

Building Control Officer	Relevant Qualification: Building
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3.6.1.2 INDIGENT SUPPORT (INCLUDING FREE BASIC SERVICES)

The Municipality is also focusing on the provision of free basic services to the indigent. The indigent policy is in place and the register is updated regularly for this purpose. However, there are still some challenges that are experienced in this area due to lack of human resources that could focus entirely on this function. Regarding free basic electricity, the Municipality has signed a service level agreement with ESKOM to provide free basic electricity to those areas listed in the agreement. At the moment there are backlogs reported in those areas that need to be addressed by ESKOM. The Municipality is also providing alternative sources of energy in those communities where there is no electricity. On Free Basic Water, Uthukela District Municipality has also entered into an agreement with the Local Municipality on this function. Regarding Free waste removal, there are no programmes in place for this service. There is a funding, which is provided by National Treasury to manage the Indigent policy.

3.6.1.3 REVENUE ENHANCEMENT AND PROTECTION STRATEGIES

- Ensuring accurate implementation of the Municipal Property Rates Act (MPRA): Proper implementation will ensure that all properties are valued at market related values and would result in increased revenue for the Municipality
- Parking meters or payment for parking in CBD: Parking in the CBD is identified as a problem and by implementing a system of ensuring that motorists pay for parking in the CBD, will generate revenue and alleviate the problem of vehicles being parked in the CBD the entire day and thus reduce the parking problem.
- Investing surplus cash to obtain interest: If all surplus cash is invested, additional income will be generated without much effort.
- Tariff Modelling: In terms of Circulars issued by the National Treasury, it is stated that by 2015, the Municipality would need to implement cost reflective tariffs. If cost-reflective tariffs were implemented, it would mean that the Municipality would be able to recover costs incurred in the delivery of services. In order to determine cost-effective tariffs, tariff modelling would have to be done.
- Promoting tourism: By promoting tourism, additional revenue will be brought into the area thus stimulating economic growth.

3.6.1.4 MUNICIPAL CONSUMER DEBT POSITION

OUTSTANDING DEBTORS / ARREAR ACCOUNTS

There had been a large increase in the amount of outstanding debt as at 30 June 2013. This is mainly attributed to the fact that the economic climate in the Umtshezi area is that some of the major businesses in the area are retrenching staff. One company is currently in the process of retrenching approximately 186 employees. In addition to the above, many of the receipts from some of the other businesses were only received after the financial year. This resulted in an increase in the outstanding debt.

It has been subsequently reported that many of the debtors in one of the suburbs in the area, are indigent. Many of the debtors that were employed at the beginning of the financial year were subsequently unemployed and fulfilled the criteria of been classified as indigent on the municipal database. The debtors have been included in the provision for debt impairment of R34,913,137 in the annual financial statements.

Below is a summary of the outstanding debt as at 30 June 2013:

DETAILS	TOTAL	CURRENT	30 DAYS	60 DAY	90 DAYS
ELECTRICITY	7 276 582.17	4 508 654.77	1 004 890.31	403 337.28	1 359 699.81
REFUSE	9 568 972.17	319 707.56	216 886.10	241 563.56	8 790 814.95
SUNDRY	3 523 040.83	116 067.95	85 897.10	57 586.07	3 263 489.71
RATES	57 656 123.40	3 046 524.94	1 275 536.52	1 315 857.29	52 018 204.65
TOTAL	78 024 718.57	7 990 955.22	2 583 210.03	2 018 344.20	65 432 209.12

DETAILS	TOTAL	CURRENT	30 DAYS	60 DAY	90 DAYS
DOMESTIC	53 476 258.13	2 985 733.31	917 090.40	833 260.84	48 740 173.58
GOVT	9 902 347.99	419 213.43	268 659.94	25 873.09	9 188 601.53
BUSINESS	9 196 240.65	3 959 915.44	887 707.04	415 817.05	3 932 801.12
OTHER	5 449 871.74	626 092.99	509 752.65	743 393.21	3 570 632.89
TOTAL	78 024 718.51	7 990 955.17	2 583 210.03	2 018 344.19	65 432 209.12

GRANTS & SUBSIDIES

The Division of Revenue Act contains allocations from National and Provincial, which allocations are recognized as Government Grants and factored as follows under the Medium Term:

Operating and Capital Grant Receipts				
DETAILS	2013/2014	2015/2016	2016/2017	
R				
CAPITAL GRANTS				
Municipal Infrastructure Grant	15,161,000	17,299,000	18,420,000	
INEP	8,000,000	0	0	
TOTAL CAPITAL GRANT	23,161,000	17,299,000	18,420,000	
OPERATING GRANTS				
Equitable Share	30,845,000	36,441,000	47,171,000	
Councillor and Ward Committee Allowance	2,351,000	2,962,000	3,074,000	
Finance Management Grant	1,550,000	1,600,000	1,650,000	
Municipal Systems Infrastructure Grant	890,000	934,000	967,000	
Extended Public Works Programme	1,000,000	0	0	
Community Participation in IDP's	0	0	300,000	
Community Library Services	240,000	252,000	265,000	
Museum	286,000	302,000	317,000	
Provisionalisation of Libraries	1,878,000	1,981,000	2,072,000	
TOTAL OPERATING GRANT	39,040,000	44,472,000	55,816,000	
ALLOCATIONS IN KIND				
INEP	14,820,000	13,071,000	13,835,000	
TOTAL CAPITAL FUNDED	14,820,000	13,071,000	13,835,000	

3.6.1.6 MUNICIPAL INFRASTRUCTURE ASSETS & MAINTENANCE (Q&M)

The asset management unit was in the Finance Department of the municipality for the 2014 financial year. It consisted of the Asset Manager supported by two interns and a service provider, I-Chain, who are asset management specialists. The implementation of the new Grap standard relating to heritage assets meant that additional work had to be performed to value these assets. It was established that the heritage assets of the municipality were made up of the two museums, one based in Estcourt, namely Fort Durnford, and the second museum in Weenen. The contents of the museum had to be established and the municipality had chosen to apply the transitional provisions of accounting for these contents. There were included in the Statement of Financial Position in the Annual Financial Statements at provisional amounts. During the year all assets were verified and it was found that assets with a net book value of R39,000 could not be verified. These assets were investigated and Council had finally resolved to write off the assets.

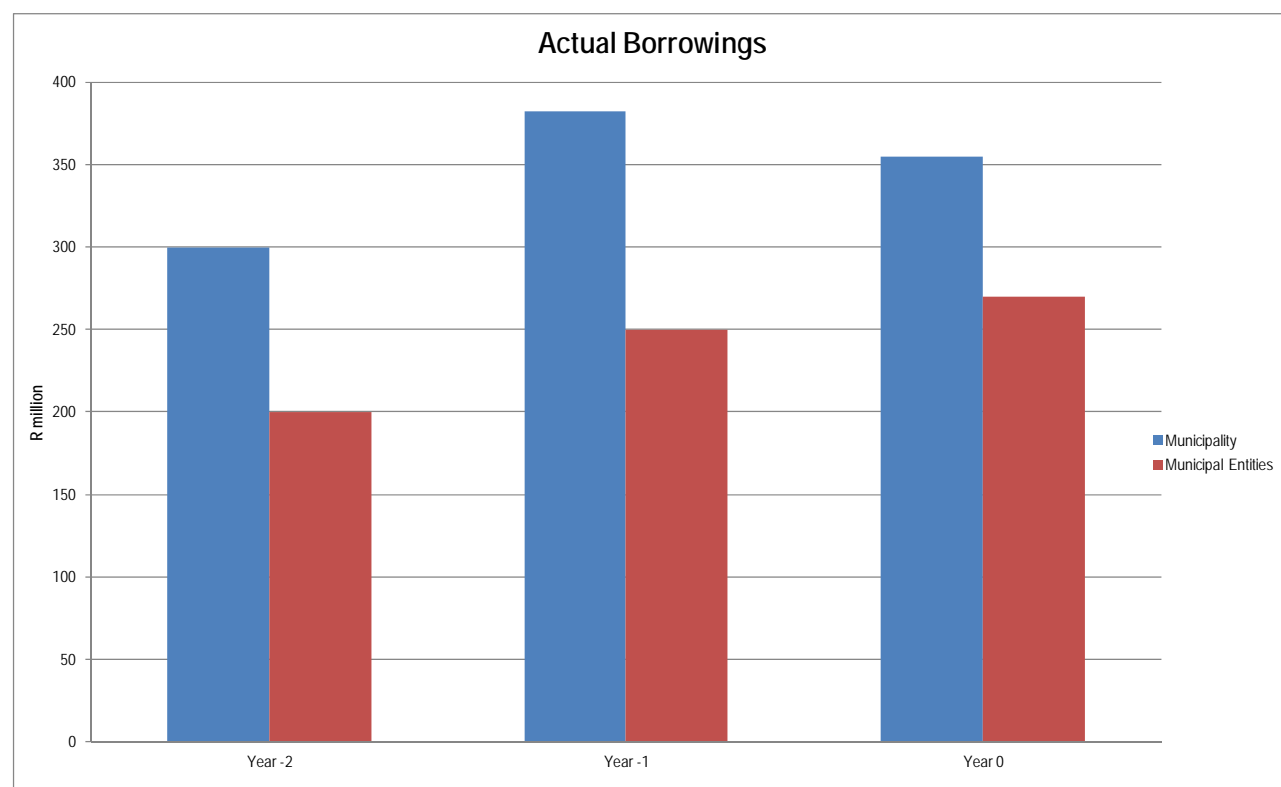
Below is a table that summarises the net book values of the property, plant and equipment of the 2015/2016 financial year:

DETAILS	AMOUNT
Community Assets	8 918 343. 39
Infrastructure	264 009 586. 46
Land and Buildings	268 678 026. 42
Other Assets	9 233 586. 88
Specialized Vehicles	1 129 668. 15
WIP	76 419 564. 04
Heritage Assets	9 245 874. 68
Intangible Assets	96 942. 47
Leased Assets	8 460 017. 74

Repairs and maintenance is critical to ensuring that infrastructure and all other assets are maintained. Failure to maintain infrastructure leads to derelict assets that negatively affect service delivery and income generation for the area. We will make sure with budget that the percentage allocated for repairs and maintenance over the MTREF exceeds the Treasury guideline of 8%.

3.6.1.7 CURRENT & PLANNED BORROWINGS

Actual Borrowings: Year -2 to Year 0			
R' 000			
Instrument	Year -2	Year -1	Year 0
<u>Municipality</u>			
Long-Term Loans	0	10538857	8727956
Long-Term Loans Finance Lease Obligation		1811239	1 246 257



3.6.1.8 EMPLOYEE RELATED COSTS (INCLUDING COUNCILLOR ALLOWANCES)

Description (2014/15)	Amount
Employee related costs	R56, 390, 941
Remuneration of councillors	R4, 359, 576
TOTAL	R60, 750, 517

3.6.1.9 SUPPLY CHAIN MANAGEMENT (SCM)

The municipality has developed its supply chain management policy in line with supply chain regulations. The policy meets all the requirements as stated in the Municipal Finance Management Act, No. 56 of 2003. The unit has a Supply Chain Manager, one vacant Supply Chain Officer post and two Supply Chain Clerks. The department also is capacitated by two finance interns and is supported by the KwaZulu Natal Provincial Treasury.

MFMA Act, SCM Regulations, municipal policy, PPPFA, govern our SCM Unit. The following are things that are required by law:

- That the supplier of goods & services to the municipality must be registered in the municipal database. To register there is a form that is obtainable from the municipal building at reception area, SCM Unit offices & on the municipal website.

Retainable documents with the form are as follows:

- Registration documents such as CK, Original Tax clearance certificate, BBBEE Certificate, certified I.D. copies of the directors of the company & letter from the bank confirming the business account.
- The company gets registered on the municipal database then our buyers invite suppliers to quote, receive quotations, evaluate quotations based on the specification, PPPFA & BBBEE.
- The order is printed & faxed to the supplier to deliver goods or service to the municipality. The supplier must issue the delivery note when delivering there after the invoice/tax invoice must be sent to our creditors department for payment.
- Suppliers are requested not to deliver any goods or services to the municipality without receiving an official purchase order.
- Suppliers are requested to take orders from supply chain officials who are duly authorised by the accounting officer.
- The supplier may tender for goods & services advertised by the municipality even if they are not registered on the municipal data base.

Strengths	Weaknesses
<ul style="list-style-type: none"> • After a period of financial strain, decline, and distress, the Municipality is now entering a period of stabilisation and recovery; and • The implementation of the Long-term Financial Plan for the Municipality. 	<ul style="list-style-type: none"> • A limited rates base and high levels of demand for services; • A growing number of debtors; and • Under-spending against operations and maintenance budgets.
Opportunities	Threats
<ul style="list-style-type: none"> • A limited rates base and high levels of demand for services; • A growing number of debtors; and • Under-spending against operations and maintenance budgets. 	<ul style="list-style-type: none"> ▪ The gradual increase of outstanding debt remains a potential risk to the Municipality's working capital, hence the possibility of service delivery delays; ▪ The growing number of indigent households and the financial strain these places on the municipal budget; ▪ The lack of forward planning in terms of procurement for services in relation to the capital budget; and ▪ Under-expenditure against some conditional grants.

3.7 GOOD GOVERNANCE & PUBLIC PARTICIPATION ANALYSIS

NATIONAL AND PROVINCIAL PROGRAMMES

3.7.1.1 NATIONAL PRIORITIES

The Umtshezi municipality endeavours to include and implement the national priorities as soon as possible. We have successfully implemented EPWP (job creation) and have dedicated an official to focus on AIDS and other diseases. We receive statistics from the Department of Health on Child Mortality, Maternal Death, HIV/AIDS and other diseases for monitoring and awareness purposes. We also as the municipality ensure gender equality and Women empowerments in terms of our employment policy.

3.7.1.2 PROVINCIAL PROGRAMMES

As with the National Government, the Provincial Government should prepare Sectorial Guidelines and funding for the preparation of Sectorial Plans. The preparation of the Sector Plans and programmes and district programmes also needs to be co-ordinated and aligned.

3.7.1.3 BATHO PELE PRINCIPLES

Umtshezi Municipality subscribes to the following Batho Pele Principles and a number of training sessions have been conducted for employees:

- Providing information; Umtshezi Municipality subscribes to the following Batho Pele Principles and a number of training sessions have been conducted for employees:
- Consultation;
- Setting service standards;
- Increasing access;
- Ensuring courtesy;
- Providing information;
- Openness and transparency;
- Redress; and
- Value for money.

3.7.1.4 OPERATION SUKUMA SAKHE

The Umtshezi Municipality notes that this is a Premier's initiative and will endeavour to be present at all relevant District and Local co-ordinated meetings to ensure that it is prioritised in our IDP. The Umtshezi Municipality Operation Sukuma Sakhe teamwork closely with the local and the district team lead by Mrs Thandeka Zulu to push the premier's initiative of Sukuma Sakhe. We are lucky to employ the Chairperson of Umtshezi Cluster who is our HIV/AIDS Coordinator.

3.7.2 INTERGOVERNMENTAL RELATIONS (IGR) STRUCTURES OPERATING IN UMTSHEZI

The municipality participates in some of the District IGR forums, which are functional. The Umtshezi Municipality also participates and fully co-operates in the activities of other spheres of Government. IGR structures include:

- The District Intergovernmental Forum (DIF) or the Mayors Forum.
- The District Technical Support Forum (DTSF) or the Municipal Manager's Forum.

The uThukela District Mayor is the chairperson of the District Intergovernmental Forum and attends the KZN Provincial Premier's Forum meetings. Other IGR structures in the district include the following forums:

- Planning Forum, chaired by the Municipal Manager of Umtshezi;
- Finance Forum, chaired by the Municipal Manager of Okhahlamba;
- Corporate Forum; and
- Infrastructure Forum.

MUNICIPAL STRUCTURES

3.7.3.1 WARD COMMITTEES

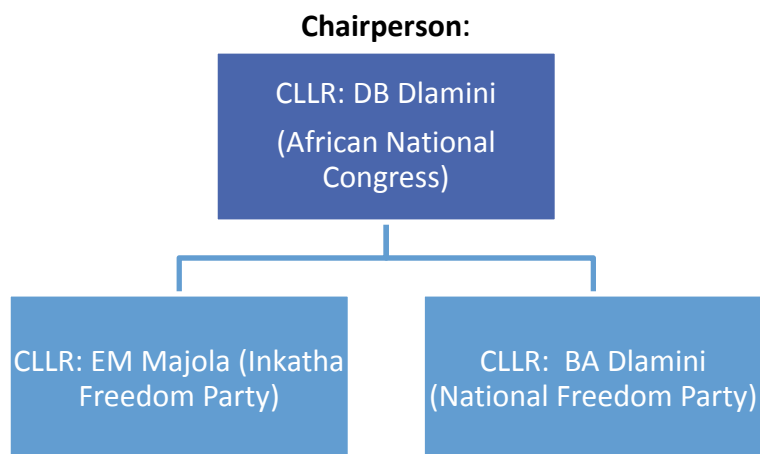
Ward Committees have been established in all nine wards, though some committees have been functioning well with their chairpersons which are ward councillors we do have problems in other wards. Attempts have been made to train these committees and this was successful. A budget has been allocated to revive and reconstitute these ward committees. The key purpose of ward committee is to get a broader input from the community in order to advise the council. Also to make sure that there is more current interaction linking the council and the community and to help the ward councillor with meeting and in turn liaise with the community.

3.7.3.2 IDP REPRESENTATIVE FORUM

The forum will represent all stakeholders and will be as inclusive as possible. Additional organizations will be encouraged to participate in the forum throughout the process.

- Represents the interests of their constituents in the IDP Process;
- Provide an organisational mechanism for discussion, negotiation and decision making between the stakeholders including the municipality;
- Participate in the process of setting up and monitoring "key performance indicators" in line with the "Performance Management Manual".

3.7.3.3. EXECUTIVE COMMITTEE (EXCO)



3.7.3.4 COUNCIL

Umtshezi Municipality is a Council that comprises of 17 Councillors. The total of 9 Councillors are Ward Councillors and 8 are PR Councillors.

NAME OF COUNCILLOR	WARD
BS Dladla	1
BA Dlamini	2
BD Dlamini	9
TC Dubazane	7
TG Duma	Proportional
RP Gericke	Proportional
E Lite	Proportional
SD Magubane	3
EM Majola	Proportional
ME Mchunu	Proportional
SM Mlambo	5
SC Mlele	Proportional

NAME OF COUNCILLOR	WARD
CJS Nunes	Proportional
B Sulieman	6
U Chetty	4
KA Vilakazi	Proportional
Z Zwane	8
Inkosi Nkwanyana	Representative

POLITICAL OVERSIGHT AND DECISION MAKING

Our Council is run professionally and all decisions are taken on an informed system based on legal prescripts guarding the institution.

3.7.3.5 IDP STEERING COMMITTEE

As part of the IDP preparation process, Council resolves to establish an IDP Steering Committee, which comprises Senior Managers to act as a support structure to the IDP Representative Forum or Ward Committees, the Municipal Manager and the IDP Manager. These structures are to continue functioning throughout the IDP Review Phase and after.

3.7.3.6 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

The MPAC was constituted and it fully functional as per the requirement.

3.7.3.7 MUNICIPAL BID COMMITTEES

Municipal Bid Committees are functional and includes the following:

ROLES OF THE BID SPECIFICATION COMMITTEE

Committee role	Key consideration
<ul style="list-style-type: none"> • Compile Specifications 	<ul style="list-style-type: none"> • Specifications are written in an unbiased manner • Guard against the use of tight specification to limit competition • References to brand names, catalogue numbers or similar classifications should be avoided
<ul style="list-style-type: none"> • Determine evaluation criteria 	<ul style="list-style-type: none"> • The evaluation criteria are aligned with the specification.
<ul style="list-style-type: none"> • Determine procurement method • Determine special conditions of contract 	

Members:

Mr. C Moodley	: Chairperson
Mr. B Lite	: Member
Miss. NH Mthonti	: Member
Mr. P Sokhela	: Member
Mr Sewraj	: Member

BID EVALUATION COMMITTEE

COMMITTEE ROLE	KEY CONSIDERATIONS
<ul style="list-style-type: none"> Evaluate bids received in accordance with specifications and the points system (Preferential Procurement Regulations) 	<p>The BEC must assess:</p> <ul style="list-style-type: none"> Each bidder's ability to execute the contract; Whether municipal rates and taxes and municipal service charges are not in arrears; Consult National Treasury's Register for tender/bid defaulters before making any recommendations. Check with NT's database that the recommended bidder is not prohibited/ restricted from doing business with the public sector.

BID EVALUATION COMMITTEE	
COMMITTEE ROLE	KEY CONSIDERATIONS
<ul style="list-style-type: none"> Report and recommendation to the BAC Ensure compliance to bid policies and procedures 	<ul style="list-style-type: none"> Submit a report with recommendations regarding the awarding of the bid or any other related matter to the Bid Adjudication Committee

Members:

Mr. SA Memela	: Chairperson
Mr. F Shaik	: Member
Mr. SE Sithole	: Member
Mr. G Mkhize	: Member

BID ADJUDICATION COMMITTEE	
COMMITTEE ROLE	KEY CONSIDERATIONS
<ul style="list-style-type: none"> • Must consider the recommendations and reports from the Bid Evaluation Committee and either (depending on the official written delegations): • make the final award; • make a recommendation to the AO to make the final award; or • make another recommendation to the AO on how to proceed with the relevant procurement 	<p>The BAC must ensure that:</p> <ul style="list-style-type: none"> • All necessary bid documentation has been submitted; • Disqualifications are justified and valid and accountable reasons/motivations were furnished for passing over of bids; • Scoring has been fair, consistent and correctly calculated and applied; • Bidders' declarations of interest have been taken into account; • Any other relevant facts which could affect the awarding of a contract.

Members:

Mr. M Zulu	: Chairperson
Mr. HB Chotoo	: Member
Mr. M Hadebe	: Member
Mrs R Maybasi	: Member
Mr A Ngcobo	: Member

3.7.3.8 MUNICIPAL PORTFOLIO COMMITTEE

Umtshezi Municipality has the following portfolio committees:

NAME OF PORTFOLIO COMMITTEE	CHAIRPERSON	MEMBERS
Infrastructure, Housing, Town planning, Rural Development and Agrarian reform Committee	E Lite	BD Dlamini TC Dubazane SC Mlele B Sulieman
IDP, Finance, LED and Tourism Committee	BD Dlamini	E Lite B Sulieman BA Dlamini SM Mlambo
Sport, Gender, Vulnerable Groups, Health, Youth and Education Committee	SD Magubane	Z Zwane BS Dladla E Lite TG Duma EM Majola
Human Resource and Transformation Committee	TC Dubazane	SD Magubane E Lite SC Mlele KA Vilakazi
Safety and Security Committee	B Sulieman	BA Dlamini RP Gericke SC Mlele BS Dladla
Rules Committee	CJS Nunes	SD Magubane RP Gericke SC Mlele
Municipal Public Accounts Committee	VACANT	TC Dubazane SD Magubane RP Gericke SC Mlele
Local Labour Forum	E Lite	BS Dladla SD Magubane TG Duma
Executive Committee	BD Dlamini	BA Dlamini EM Majola

3.7.3.9 MAYORAL IZIMBIZO / ROADSHOWS AND STAKEHOLDER FORUMS

The Mayor participates actively in Road Shows and Izimbizo to discuss and approve the IDP and the allocated budgets with the communities. The Representatives Forum also includes external stakeholders to ensure that there is contribution made by all stakeholders before the Municipality adopts the final IDP.

The area of focus for the 2012/2017 financial years will be to ensure that all relevant sector Departments attend the planned forums and participate effectively. The Municipality hosts the Service Providers Forum which is aimed at bringing together all service providers within the Municipality to share with other stakeholders and input on the IDP. Attempts were made in the previous years but there are those Departments that never attended the scheduled meetings. However, there is support from the Departments such as the Department of Agriculture, Social Welfare and Transport.

AUDIT COMMITTEE

The Umtshezi Municipality audit committee consists of the members listed hereunder and are required to meet at least 4 times per year as per the approved terms of reference in its Audit Committee Charter. Six meetings were held relating to the 2012/13 financial year wherein both Financial and Performance matters were discussed (a combined audit committee)

NAME OF MEMBER	No. OF MEETINGS ATTENDED
Mr LB Van Der Merwe (Chairperson)	6
Mr C Rautenbach	6
Mr Z Zulu	5

AUDIT COMMITTEE RESPONSIBILITY

The audit committee reports that it has complied with its responsibilities arising from section 166(2) of the MFMA.

The audit committee reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged its responsibilities as contained therein.

THE EFFECTIVENESS OF INTERNAL CONTROL

The system of internal controls applied by the municipality over financial and risk management is generally effective, efficient and transparent. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and identification of corrective actions and suggested enhancements to the controls and financial statements, and the management report of the Auditor-General, The control and deviations therefrom. Accordingly, we report that these matters require urgent attention of Management and Council, all of which will be included in our Action Plan for follow up by 31 January 2014 and monthly thereafter.

STATUS OF MUNICIPAL POLICIES

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action			
2	Attraction and Retention			
3	Code of Conduct for employees	100	100	Not yet adopted
4	Delegations, Authorisation & Responsibility	100	100	23/07/2008
5	Disciplinary Code and Procedures	100	100	Not yet adopted
6	Essential Services	100	100	
7	Employee Assistance / Wellness	100	100	
8	Employment Equity	100	100	06/10/2005
9	Exit Management			
10	Grievance Procedures	100	100	23/07/2008
11	HIV/Aids			
12	Human Resource and Development			
13	Information Technology			
14	Job Evaluation			
15	Leave	100	100	23/07/2008
16	Occupational Health and Safety	100	100	23/07/2008
17	Official Housing			
18	Official Journeys			
19	Official transport to attend Funerals			
20	Official Working Hours and Overtime	100	100	23/07/2008
21	Organisational Rights			
22	Payroll Deductions			
23	Performance Management and Development			
24	Recruitment, Selection and Appointments	100	100	23/07/2008
25	Remuneration Scales and Allowances	100	100	23/07/2008
26	Resettlement			
27	Sexual Harassment	100	100	23/07/2008
28	Skills Development	100	100	13/06/2007
29	Smoking	100	100	13/06/2007
30	Special Skills			
31	Work Organisation			
32	Uniforms and Protective Clothing			
33	Other:			

Table 11: Status of Council Adopted Municipal Policies

MUNICIPAL BYLAWS

The workshop to present and workshop the Council on the new updated by-laws relating to Public Libraries, Public Roads, Property Encroachment, Storm Water Management, Cemeteries, Keeping of Birds and Animals, Pollution Control. Public Amenities, Parking, Pounds, Fire Safety and Nuisances were finally held on 20 June 2013 following two previous postponements. Council accepted the new by-laws at its meeting held on 26 June 2013.

The Street trading By-Laws were updated and accepted by the Council at its meeting held on 26 June 2013. The notice informing the public and calling for objections/submissions were placed in the local paper on 26 June 2013. The by-laws were also circulated to libraries and appear on the website. Presentations will be made to Ward Committee members at the IDP cluster meetings:

By-laws Introduced					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws)	Dates of Public Participation		
PUBLIC LIBRARIES		IN PROGRESS	ADVERTS (10/07/2012)		
PUBLIC ROAD	STREET TRADING	IN PROGRESS			
PROPERTY ENCROACHMENT		IN PROGRESS			
STORMWATER MANAGEMENT		IN PROGRESS			
CEMETERY & CREMATORIA		IN PROGRESS			
KEEPING OF BIRDS & ANIMALS		IN PROGRESS			
POLLUTION CONTROL		IN PROGRESS			
PUBLIC AMENITIES		IN PROGRESS			
PARKING		IN PROGRESS			
POUND		IN PROGRESS			
FIRE SAFETY		IN PROGRESS			
NUISANCES		IN PROGRESS			

4 COMBINED SWOT ANALYSIS

Prior sections of this report highlighted SWOT Analysis on each KPA. Following is a combined SWOT Analysis.

Strengths	Opportunities
<ul style="list-style-type: none"> • Large biodiversity that inhabits an ecosystem landscape that has retained ecological functionality; • There are wetlands, important water yield areas and streamlined rivers. • The presence of Priority Floral Species that prevents ecological degradation and further loss of vegetation. • The municipality also contains the basis of the Tugela-Vaal water scheme and good water resources. • Indigenous planted at Wembezi Area as a response to reduction of Carbon Footprint. • Municipal Participation in Greenest Municipality's Concept. • Municipality Competition (GMC) • Partnerships with other sector departments. 	<ul style="list-style-type: none"> • Limited benefits derived from international assets situated in the municipality. • Lack of environmental compliance and enforcement; this weakens management of the natural environment. • Lack of environmental management strategies and key interventions to monitor & manage biodiversity as well as ecological footprint. • Lack of common planning between development planning and environmental planning. • Lack of environmental education & awareness in municipal communities.
Opportunities	Threats
<ul style="list-style-type: none"> • Improvement of biodiversity and hydrological integrity of aquatic systems. • There is an opportunity for contributions to rural livelihood through employment opportunities in alien eradication operations as well as beneficiation of some species as they provide materials for the production of various household and saleable items such as building materials, crafts and furniture and fuel wood. • Stakeholder alliance on environmental protection. • Revenue generation through conservation of biodiversity. • Mapping environmental sensitive areas. 	<ul style="list-style-type: none"> • On-going environmental degradation affecting the ecotourism, leading to a reduction of resources available for conservation aspects. • Low economic growth and increasing rate of unemployment in major economic sectors • Alien infestation may lead in marked declines in stream flow, transformation of vegetation composition & structure; alteration of patterns nutrient cycle & fire regime; also impact on Tourism & Agricultural production. • Poor environmental management due to lack of environmental awareness. • Industrialization and overpopulation. • Illegal Dumping which pollutes wetlands. • High potential agricultural land, potential forestry areas and areas likely to experience settlement expansion this poses greatest threats to identified Critical Biodiversity Areas (CBAs). • Limited benefits derived from international and national assets situated in the district.

5 VISION, GOALS, OBJECTIVES AND STRATEGIES

5.1 UMTSHEZI VISION

BY 2016, UMTSHEZI MUNICIPALITY WILL BE A CHAMPION OF SUSTAINABLE GROWTH WITH AN AIM OF BUILDING BETTER COMMUNITIES.

STRATEGIC OBJECTIVES

Performance Management is a process which measures the implementation of the organizations strategy. It is also the tool to plan, monitor, measure and review performance of indicators to ensure efficiency, effectiveness and impact of service delivery by the Municipality.

The Municipal Systems Act (MSA), 2000 requires the municipalities to establish a performance management system. Further, the MSA and Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the Municipal Budget against the IDP via the Service Delivery and Budget Implementation Plan (SDBIP).

THE CYCLE OF THE PERFORMANCE MANAGEMENT SYSTEM

- a) **Performance Planning** – This is the stage where Key Performance Areas and Key Performance indicators are aligned to the IDP and when targets are set.
- b) **Performance Measuring and Monitoring** – This is an ongoing process to determine whether performance targets have been met, exceeded or not met.
- c) **Performance Evaluation** – Analyses why there is under performance or what the factors were, that allowed good performance in a particular area. Evidence to support the status is also reviewed at this stage.
- d) **Performance Reporting** – entails reporting twice a year to Management, The Performance Audit Committee, Council and the Public.
- e) **Performance Review/Auditing** – This involved verifying the measurement mechanisms are accurate and that proper procedures are followed to evaluate and improve performance.

Below, are the strategic objectives of Umtshezi Municipality:

- To improve institutional and organizational capacity
- To ensure a functional performance management system is implemented
- To advance access to free basic services
- To promote local economic development
- To advance public participation
- To improve the municipal audit opinion and accountability
- To improve the budget implementation in the Municipality
- To promote the sustainable protection and development of the environment

- To improve the response to disasters

The strategic objectives are further broken down as depicted below:

UMTSHEZI LOCAL MUNICIPALITY STRATEGIC OBJECTIVES FOR THE 2016/2017 FINANCIAL YEAR										DATA
KPA REF	KPA	OBJ REF	STRATEGIC OBJECTIVE/ OUTPUT	STR REF	STRATEGIES	KPI	UNIT OF MEASURE	RESPONSIBLE OFFICIAL	2016/2017 FY	DEFINITIONS
									ANNUAL TARGETS	
A	Municipal Transformation and Organisational Development	A1	To improve institutional and organisational capacity	A1.1	Review and implement an effective organogram	Date of adopted reviewed organogram	Date	Director: Corporate	30-Jun-17	Date that the 2017/18 organogram must be approved by Council
						No of employees appointed as per the organogram	Number	Director : Corporate	8	Number of employees that must be appointed according to the organogram
				A.1.2	Review and implement workplace skills plan	Date of Adoption	Date	Director : Corporate	31-07-2016	Date that the WSP must be approved by Council

						Number of employees trained according to the workplace skills plan	Number	Director : Corporate	32	Number of employees that must be trained according to the WSP for the 2016/2017 financial year
						Number of employees undertaking induction courses	Number	Director : Corporate	8	Number of new employees that will be going through an induction course once they have been appointed officially,
				A1.3	Develop & Review HR	Number of HR	Number	Director :	10	Number of Human

					Policies	policies reviewed		Corporate		Resources policies that must be approved by Council
				A1.4	Develop & Review IT Policies	No. of IT policies reviewed	Number	Director :Corporate	8	Number of IT policies that must be approved by Council ,
		A2	To ensure functional performance management system is implemented	A2.1	Review and implement Performance Management System	Date of adoption of performance Management system	Date	Municipal Manager	30-Jun-17	Date that the 2017/2018 PMS Scorecard must be approved by Council
						Number of performance management report submitted to	Number	Municipal Manager	4	Number of performance reports that must be

						council				submitted to Council for the 2016/17 financial year,
						Number of individual performance assessments conducted for S56/54	Number	Municipal Manager	4	Number of assessments done on the Senior Managers appointed by the Municipality
B	Basic Service Delivery and Infrastructure	B1	To advance access to Basic Services	B1.1	Facilitate provision of electricity supply to households by Eskom outside town planning schemes	Review households without electricity in terms of new housing schemes	Report	Director: Civil	1	A list of households must be reviewed that needs electrification for the 2016/2017 financial year

						Submit a consolidated list of households without electricity identified during Imbizo to Eskom	Report	Director: Civil	1	A list of households that's needs electrification must be submitted to Eskom to obtain funding for those households
				B1.2	Ensure provision of electricity supply to households within the town planning schemes .	Number of existing units provided with electricity	Number	Director: Civil	13194	Number of households that have access to electricity within the Municipal jurisdiction
						Number of households receiving free	Number	Director; Civil	5462	Number of Indigent Consumers that earn R

						electricity				3000,00 or less that receives 50kwh of free electricity ,
				B1.3	Providing access to solid Waste Disposal Services	Number of existing units receiving solid waste disposal	Number	Director: PECS	6951	Number of households that have access to refuse removal with the municipal jurisdiction,
						Number of households receiving free solid waste disposal	Number	Director :PECS	5462	Number of Indigent Consumers that earn R 3000,00 or less that receives free refuse removal

										services.
				B1.4	Facilitate an improved road network	Number of IGR Forum meetings attended	Number	Director: Civil	4	Number of IGR meetings for the Civil department that were attended by officials
				B1.5	Upgrading of existing road infrastructure	Number of kilometres of existing road upgraded	Number	Director: Civil	6km	Number of kilometers of roads that are managed by the Municipality upgraded.
				B1.6	Provision and maintenance of community and public facilities	Number of creches built	Number	Director: Civil	4	Number of crèches that will be built in Ward 8, Ward 9, Ward 6

						Number of Community Halls built	Number	Director: Civil	3	Number of Halls that will be built in Ward 8, Ward 7 and Ward 3,
						Number of community and facilities maintained (Parks)	Number	Director :PECS	13	Number of Parks that is maintained by the Municipality
				B1.7	Develop sustainable human settlements	Number of submissions of record of decisions to department of environmental affairs	Number	Director : PECS	2	Any new greenfield low income housing development as required by the Dept of Human Settlements before approving stage two

										application
						Percentage of planning and development act applications approved	Percentage	Director :PECS	100%	This refers to changes on the Town Planning Schemes,
				B1,8	Low Income Houses to be built	Number of Houses built	Number	Director: PECS	250	Number of Low Income Houses that will be built in Wembezi.
	Local Economic Development	c	To promote local economic development	C1.2	Develop and capacitate SMMEs	Number of training conducted	Number	Director :PECS	5	Number of trainings scheduled for enhancing SMME's
				C1.3	Create jobs through LED initiatives	Number of jobs created through EPWP	Number	Director :PECS	49	To enhance job creation

						Number of jobs created through CWP	Number	Director :PECS	1000	To enhance job creation
						Number of jobs created through Capital Projects	Number	Director :PECS	100	To enhance job creation
						Number of jobs created through Keep Umtshezi Clean	Number	Director :PECS	100	To enhance job creation
D	Good Governance and Public Participation	D1	To advance effective Public Participation	D1.1	Develop and implement effective public participation strategy	Public participation strategy adopted by council	Date	Director : PECS	31-Dec-16	Date that the public participation strategy that must be approved by Council.
				D1.2	Ensure functional ward	Number of meetings per ward	Number	Director: PECS	36	To ensure that ward councilors are

					committee structures					actively involved in the community,
			Improve the municipal audit opinion and accountability		Audit committee meetings held	Number of Audit Committee Meetings held	Number	Municipal Manager	4	To ensure that the audit committee is doing their duties and advising Council on correct decisions,
		D2		D2.1	Audit committee meetings held	Number of Audit Committee reports/minutes submitted to council	Number	Municipal Manager	4	Regular updates to Council by the Chairperson of the audit committee
				D2.2	Approved and implemented	Date approved	Date	Municipal Manager	30-Sep-16	Date that the Internal Audit

					audit plan					Plan must be approved by Council.
					Reports issued in terms of audit plan	Number	Municipal Manager	4		Number of reports issued by KPMG where weaknesses were identified.
				D.2.3	Hold Oversight meetings	Number meetings held	Number	Municipal Manager	4	Number of MPAC meetings that must be held for the 2016/2017 financial year
E	Financial Viability and Financial		To improve budget implementation in the	E1.1	Optimize the expenditure of capital budget	Percentage Capital expenditure budget implementation (actual capital	Percentage	Director: Civil/CFO	100%	Percentage of MIG expenditure spent on

	Management		municipality			expenditure/budget capital expenditure x100)				allocated projects,
				E1.2	Optimize the expenditure of operational budget	Percentage operational expenditure budget implementation (actual operational expenditure/budget operational expenditure x100)	Percentage	CFO	100%	Percentage of funds spent on operating expenses,
				E.1.3	Optimize revenue of operational budget	Percentage operating revenue budget implementation (actual operating expenditure/budget operating revenue x100)	Percentage	CFO	100%	Percentage of operating income received,

				E1.4	Optimize actual service charges and property rates revenue	Percentage service charges and property rates revenue budget implementation (Actual service charges and property rates revenue/budget service charges and property rates revenue x100)	Percentage	CFO	100%	Percentage of service charges and property rates revenue received.
				E1.5	Improvement of Annual Financial Statement	Improved audit opinion	Report	CFO	Unqualified without matters of emphasis	The type of opinion received from the Auditor General after the municipality is audited.
				E1.6	Budget spent on Workplace	% of expenditure of budget allocated to	Percentage	Director;	100%	Percentage of WSP budget

					Skills Plan	Workplace Skills Plan		Corporate		spent on training of officials,
				E1.7	Updating of asset register	Date of adoption of the updated asset register	Date	CFO	31-Dec-16	Date that the asset register must be updated by,
	Cross Cutting	F2	To promote sustainable protection and development of the environment	F2.1	Review integrated environmental management plan	Date of adoption	Date	Director: PECS	31-Dec-16	Date that the environmental management plan to be approved by Council.
		F3	To improve response to Disasters	F3.1	Review Disaster management framework	Date of adoption	Date	Director : PECS	31-Dec-16	Date that the disaster management framework to be approved by Council.
				F3.2	Respond to disaster in	Number of disaster management	Number	Director : PECS	4	Number of disaster

					terms of management framework	forums meetings held				meetings attended by officials
				F3.3		Number of reports submitted in terms of disaster	Number	Director : PECS	12	Number of reports submitted to the municipality when a disaster is responded to,

6 STRATEGIC MAPPING

Umtshezi municipality developed and adopted an SDF in terms of Section 26(e) of the Municipal Systems Act (32 of 2000). The SDF is however outdated and are currently under review.

The primary aim of the SDF is to guide the spatial form and location of future developments within the municipality area of jurisdiction. Its objectives are as follows:

- Giving a spatial expression of the development vision and strategy as outlined in the IDP;
- Identifying areas where development should or should not go;
- Guiding the municipality in the coordination of development within its area of jurisdiction;
- Giving spatial effect to multi-sectoral projects identified in the IDP; and
- Promoting sustainable utilisation of natural resources.

6.1 SPATIAL PLANNING PRINCIPLES

Umtshezi Municipality SDF is underpinned by normative principles reflected in various policy documents and pieces of legislation. The objective of the principles and norms is to influence directly the substantive outcomes of planning decisions, whether they relate to spatial development frameworks or decisions on land use change or development applications. The overall aim of the principles and norms is to achieve planning outcomes that:

- Restructure spatially inefficient settlements;
- Promote the sustainable use of the land;
- Channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;
- Take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment;
- Stimulate economic development opportunities in rural and urban areas; and
- Support an equitable protection of rights to and in land.
- In addition they promote:
- Accountable spatial planning, land use management and land development decision-making by organs of state;
- Channel resources to areas of greatest need and development potential, thereby redressing the inequitable historical treatment of marginalized areas;
- Take into account the fiscal, institutional and administrative capacities of role players, the needs of communities and the environment;

- Stimulate economic development opportunities in rural and urban areas; and
- Support an equitable protection of rights to and in land.

In addition they promote:

- Accountable spatial planning, land use management and land development decision-making by organs of state;
- Cooperative governance and wider information sharing in plan-making and implementation; and
- Maximum openness and transparency in decision-making.

The normative principles are focused on and correlated to the field of spatial planning, land use management and land development, but, as is the case with all principles and norms, need further actualization in specific, concrete contexts. Thus, in the practical implementation of the principles spatial planning, land use management and land development in Umtshezi will be guided by the following overarching concerns:

Integrated development, which is a key concern in legislation and policies dealing with Integrated Development Plans (Municipal Systems Act) and Land Development.

Sustainability, which emanates from Local Agenda 21 and in South African is, enforced through the National Environmental Management Act (NEMA) amongst others.

Equity, which implies equitable distribution of development, resources and opportunities.

Participation. The Municipal Systems Act is dedicated to the subject matter of public participation in municipal affairs. This principle promotes accountability and transparency in decision-making.

Order and amenity, which focuses mainly on the creation of safe and healthy environments suitable for human habitation. Current land use legislation (Natal Town Planning Ordinance) puts a greater emphasis on this concern.

Redress, which is mainly addressed in the Land Reform Program and various, associated pieces of legislation. The main focus in this regard is to correct the wrongs of the past.

Efficiency, which deals mainly with, the creation of efficiently functioning environments scaled to the needs of the local people and role-players.

Good governance.

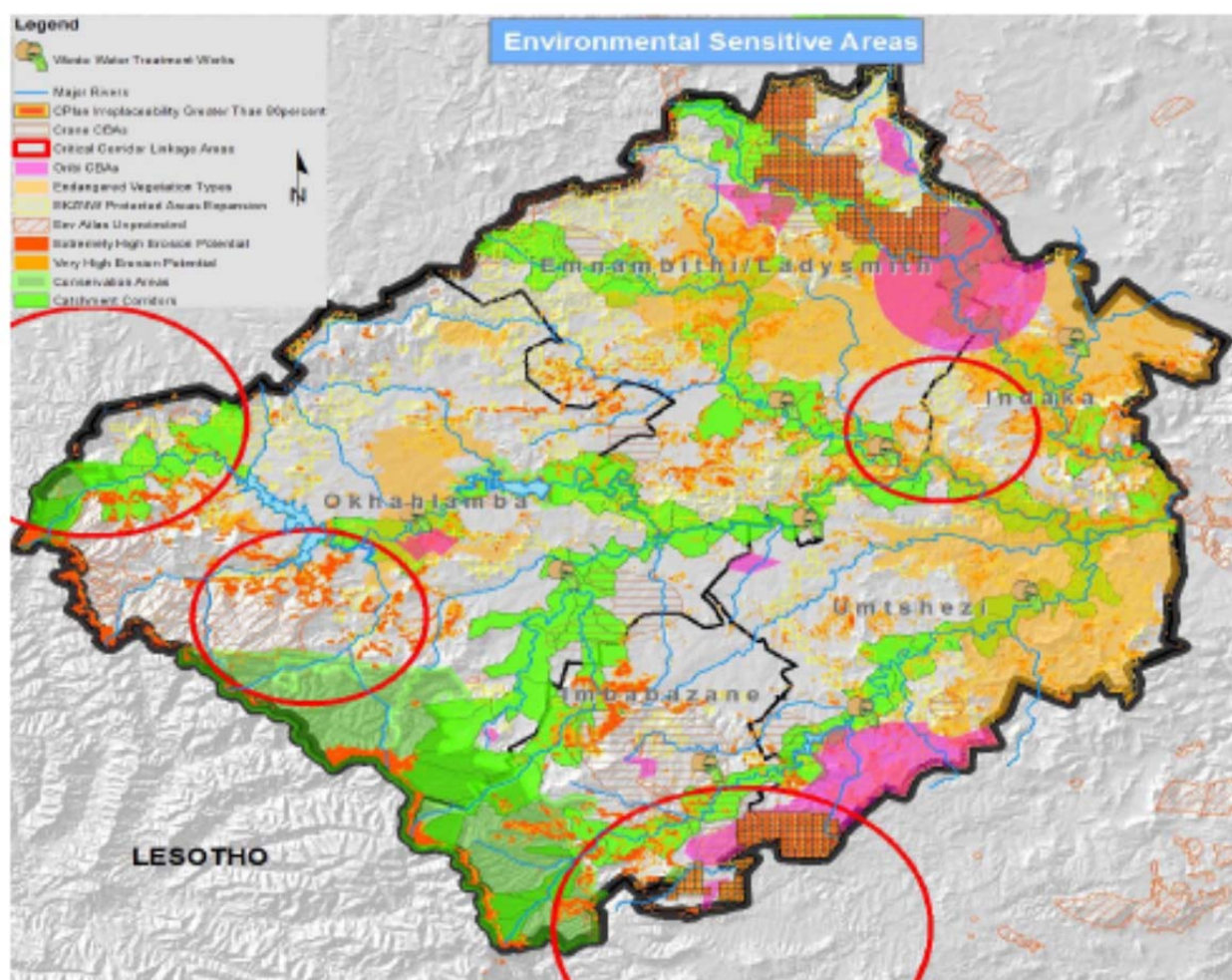
The principles and norms collectively form a vision for land use and planning in Umtshezi. They constitute a single point of reference, and an overarching coherent set of policy guides to direct and steer land development, planning and decision-making in land use so that outcomes thereof are consistent with the development objectives as outlined in the IDP.

6.2 ENVIRONMENTAL MANAGEMENT

6.2.1 AREAS SUITABLE FOR PLANNING & DEVELOPMENT

The areas considered suitable for development fall outside the environmentally sensitive areas, the areas with agricultural potential and the archaeologically sensitive areas. However, there may be other issues that may hamper planning and development in these areas, hence these are given as guides only and more detailed investigation will be needed at the planning/development stage to confirm the findings of this desktop study. Other factors such as geological/geotechnical, economic, social etc., may prevent planning and development.

Map 1: Environmental sensitive areas



Umtshezi Local Municipality is characterised by generally three topographical regions:

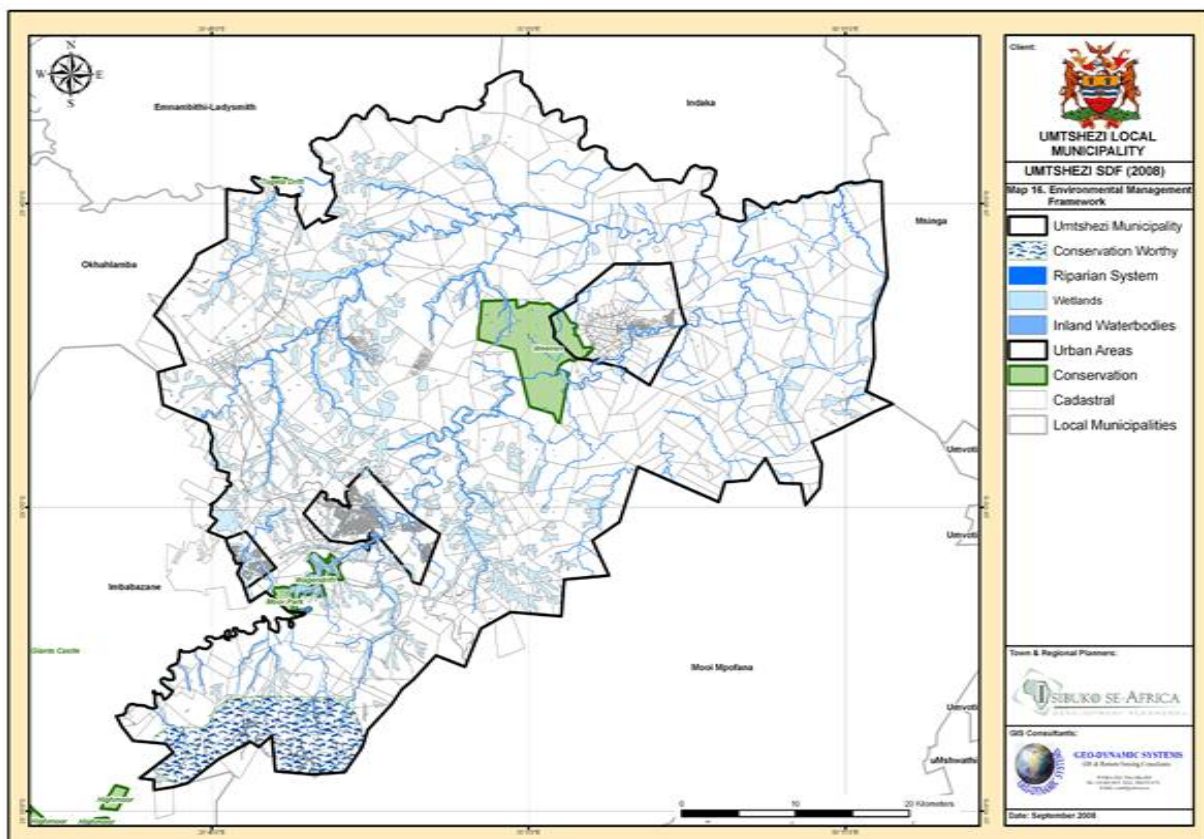
Areas above the escarpment located mainly to the west of Estcourt town, are generally flat and suitable for crop production and extensive grazing. Areas with undulating terrain are

located mainly along the southern and northern boundaries. They are dominated by thorn bush and characterised by erodible soils.

Areas such as Weenen valley are located within low-lying regions.

In Umtshezi Local Municipality, there are three conservation areas, including the Weenen Nature reserve, the New Formosa Nature Reserve and the Weenen Nature Reserve. Some of the issues that may impact on the planning and development of the Umtshezi Municipality are given below.

Map 2: Conservation areas



6.2.2 ISSUES IMPACTING ON PLANNING AND DEVELOPMENT

LOW COST HOUSING

Low cost housing problems, such as subsidence, sewage problems, collapsing of houses, (all issues especially evident within low cost housing developments), may occur because of:

- Inappropriately located sites;
- Impatient and environmentally insensitive developers;
- Lack of understanding from developers regarding the role of environmental impact assessments in the site selection and application process (EIAs are often the last thought

once all other studies have already been undertaken, developers are often not open to alternatives in terms of site selection or housing / development design or type);

- Disregard for wetlands and endangered species;
- Poor quality housing;
- Health conditions (in wet areas – compromises sewage systems and cemeteries) and costs.
- Because low cost housing sometimes merely Tran-locates the poor from a rural area to urban areas – where the housing is provided on smaller lots (preventing homeowners from growing food or keeping livestock), and where employment is not available to compensate, the poverty cycle, impact on the environment and crime may in fact increase as a result. More suitable housing sites (not in wet areas) with larger plots per home should instead be considered.

Increased development of informal housing hinders the development potential and aesthetic appeal of the region. Rural areas should be formalised and provided with sanitation and water.

Residents should be encouraged to remain in these areas where there is sufficient space to establish large gardens and keep livestock.

6.2.2.1 MANAGEMENT OF WATER RESOURCES

Incorrect siting of high-impact developments (such as low cost housing with poor sewage, wastewater and storm water management) in close proximity to wetlands, drainage lines, rivers and dams is resulting in water pollution. There is a need to protect water resources as a means to prevent waterborne diseases and ensure adequate supply of quality water for household consumption. The sustainable use of ground water must be guaranteed, in order to ensure the quality and quantity of water for consumption and other uses in future. Siting of unsuitable developments in close proximity to known water sources and in sites of high ground water must be prevented.

6.2.2.2 VELD FIRES

Veld burning is recognised as an important veld management tool but should be applied according to strict scientific methods, considering factors such as veld type, carrying capacity (number of animals of a given type which the veld type can support), seasonal, climatic, soil and veld conditions. Veld areas should only be burnt after full ecological consideration and evaluation, to provide informed decision making regarding hot or cold burns to control excess woody material. Fire-breaks should be burnt in early to mid winter, depending on environmental conditions as broad strips allowing for effective fire management.

6.2.2.3 REQUIREMENT FOR A MUNICIPAL OPEN SPACE SYSTEM

A clearly defined municipal open space system (for the entire municipal area, but especially in the 'urban' areas of Estcourt, Weenen, and later in the more rural areas but still built up) is required for the:

- Protection of wetlands, associated rivers, streams and catchments and areas of natural beauty.
- These Open Space Plans should take into consideration the local EMPs and SEAs and the LUMS for the local and district municipalities.

6.2.2.4 REHABILITATION OF DAMAGED AND DEGRADED AREAS

Rehabilitation of damaged and degraded areas is now legislated and the municipality could begin to enforce this legislation by developing a whole new environmental branch: Very few new developments institute or apply rehabilitation plans, often where blatantly necessary.

Begin to enforce this legislation by developing a whole new environmental branch: Very few new developments institute or apply rehabilitation plans, often where blatantly necessary.

6.2.3 PROTECTION AND CONSERVATION OF AGRICULTURAL LAND

As a general aim, the municipality together with the Department of Agriculture has a responsibility to protect agricultural land from development that leads to its alienation from its primary purpose or to diminished productivity. Any proposal for non-agricultural development on agricultural land is subject to an application made to, and assessed by, the Department of Agriculture in terms of the Sub-division of Agricultural Land Act, (Act No. 70 of 1970). On the other hand, the municipality has a responsibility to implement wall-to-wall land use management system within its area of jurisdiction. This includes setting land aside for agricultural development purposes.

The traditional and widespread view that land is an almost limitless resource is a myth. Both availability and condition are under threat. Poor resource (veld) management such as responsibility to protect agricultural land from development that leads to its alienation from its primary purpose or to diminished productivity. Any proposal for non-agricultural development on agricultural land is subject to an application made to, and assessed by, the Department of Agriculture in terms of the Sub-division of Agricultural Land Act, (Act No. 70 of 1970). On the other hand, the municipality has a responsibility to implement wall-to-wall land use management system within its area of jurisdiction. This includes setting land aside for agricultural development purposes.

The traditional and widespread view that land is an almost limitless resource is a myth. Both availability and condition are under threat. Poor resource (veld) management such as overstocking, the development of land for settlement and other non-agricultural uses has led to the loss of significant areas of good agricultural land, and land degradation is now widely regarded as one of the greatest challenges facing rural Umtshezi.

Agricultural land in Umtshezi Municipality could broadly be divided into three main categories as follows:

Good agricultural land is located along the southern and western boundaries of the municipal area. Patches of similar land are found along Umtshezi River and around Weenen.

- Moderate potential agricultural land is located generally in the area stretching from Estcourt in the south to Weenen in the north. Land with low agricultural potential is located in the low lying areas towards Indaka and Msinga Municipalities and falls largely within the Bloukrans River catchment area.

Protection of good agricultural land should be based on the following policy principles:

- Good quality agricultural land has a special importance and should not be built on unless there is an overriding need for the development in terms of public benefit and no other site is suitable for the particular purpose;
- When preparing, reviewing or amending planning schemes, the municipality will be expected to include provisions for protecting good quality agricultural land, regardless of the effect of market fluctuations on its viability;
- The preparation of planning schemes should include an evaluation of alternative forms of development, and significant weight should be given to those strategies which minimise the impacts on good quality agricultural land;
- The land Use Scheme should aim to minimise cases where incompatible uses are located adjacent to agricultural operations in a manner that inhibits normal farming practice. Where such instances do arise, measures to ameliorate potential conflicts should be devised;
- The land use scheme should provide for a hierarchy of agricultural zones based on the agricultural development potential and impact of non-agricultural activities on agricultural land. Non-agricultural activities such as agri-tourism, game farms with themed estates or lodges, resort developments, etc. should be located on land with moderate agricultural potential of development, and significant weight should be given to those strategies which minimise the impacts on good quality agricultural land;

- The land Use Scheme should aim to minimise cases where incompatible uses are located adjacent to agricultural operations in a manner that inhibits normal farming practice. Where such instances do arise, measures to ameliorate potential conflicts should be devised;
- The land use scheme should provide for a hierarchy of agricultural zones based on the agricultural development potential and impact of non-agricultural activities on agricultural land. Non-agricultural activities such as agri-tourism, game farms with themed estates or lodges, resort developments, etc should be located on land with moderate agricultural potential; and
- Agricultural potential should be used to establish agricultural zones in terms of the land use scheme, and provide for a continuum of agricultural zones from predominantly agriculture only zones to zones that allows for a mixture of agricultural and non-agricultural uses.

The following criteria may be used in this regard:

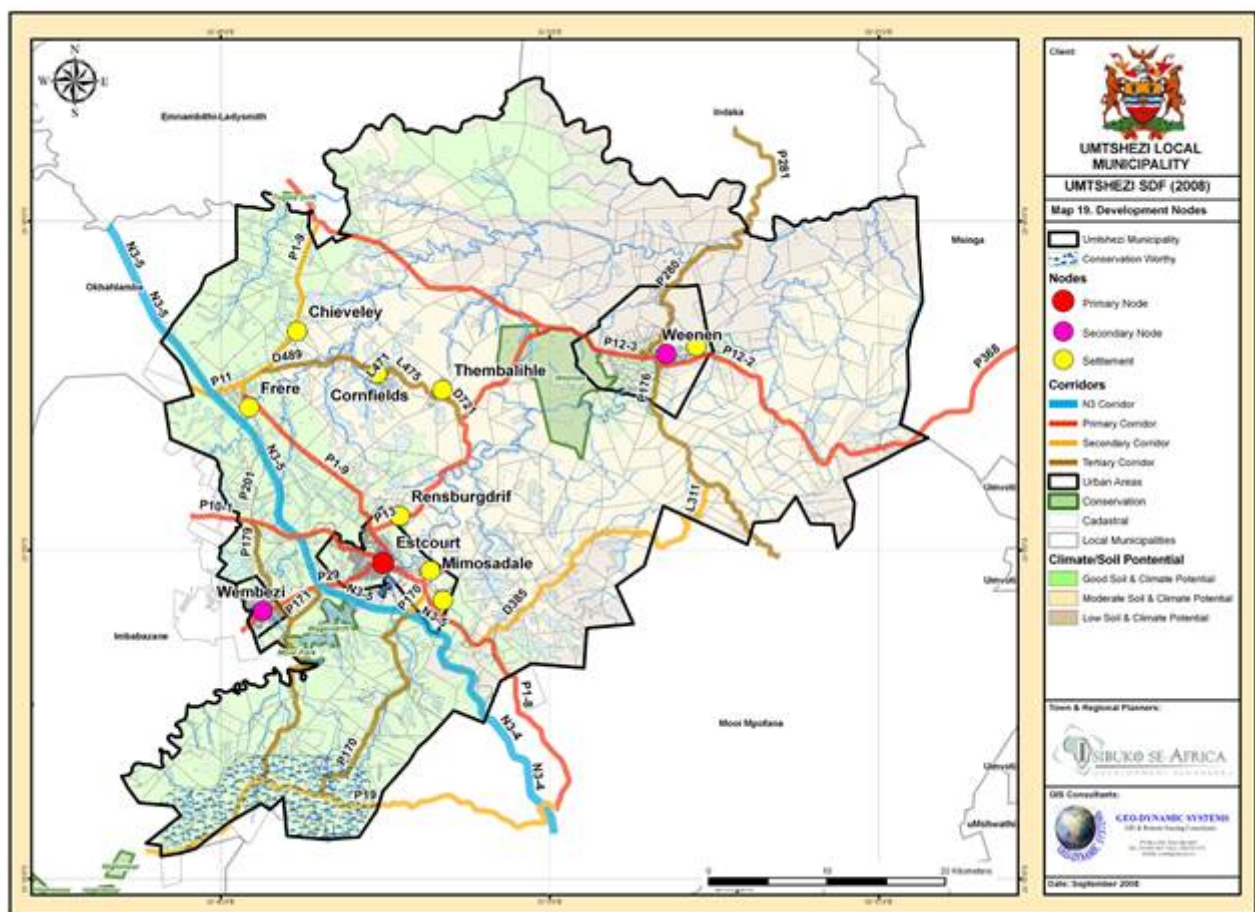
- High potential agricultural land should be used for mainly agricultural activities. However, limited non-agricultural uses may be permitted especially along the corridors and within the designated development nodes. Conservation should form part of a drive to protect and enhance the quality of agricultural land. Irrigated land along the river corridors should be protected equally;
- Land with moderate agricultural potential provides an opportunity for the development of mixed agricultural, tourism and conservation uses. These include game farms, game reserves and feedlots. As such, the proposed game reserve stretching from just outside Estcourt towards Weenen should be supported subject to the resolution of the land and social issues;
- Low potential agricultural land should be subjected to conservation and low intensity agricultural uses. Most of it is degraded and prone to soil erosion; and
- A detailed indication of agricultural activities undertaken in the area is indicated in the District Agricultural Development Strategy. It recommended that an agricultural development plan be prepared.

6.2.4 DESIRED DIRECTION OF GROWTH

The desired direction and nature of growth is indicated through the application of nodes and corridors. By using the system of nodes and corridors, and strategic areas for intervention, the SDF promotes functional integration between the N3 and the Estcourt Town, as well as Estcourt Town and Wembezi.

The following nodes and corridors have been identified:

Map 3: Nodes and corridors



6.3 DESIRED SPATIAL FORM AND LAND USE

The SDF clearly identifies areas where different land uses should be promoted. These include light industry and mixed use nodes at key road intersections, expansion of the residential areas along development corridors, commercial nodes in selected areas.

Areas that requires immediate attention in terms of infrastructure development are identified in the SDF in Wembezi Township, Estcourt Town and Weenen:

Wembezi where the main focus on the initiation and implementation of an urban renewal program.

Weenen where the main focus also on urban renewal and intensive urban agriculture.

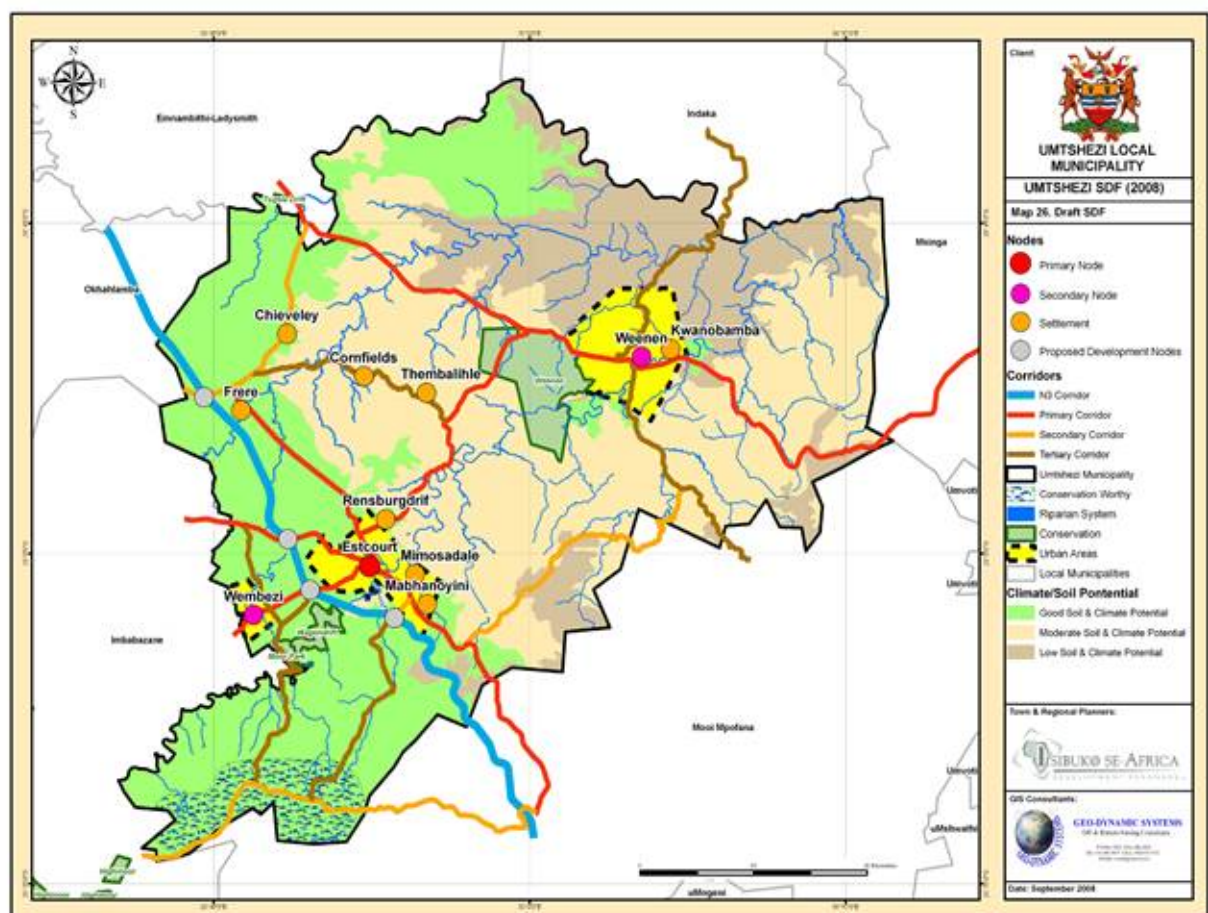
Estcourt where the main focus is on land use integration and developing the town into Areas that requires immediate attention in terms of infrastructure development are identified in the SDF in Wembezi Township, Estcourt Town and Weenen:

Wembezi where the main focus on the initiation and implementation of an urban renewal program. Weenen where the main focus also on urban renewal and intensive urban agriculture.

Estcourt where the main focus is on land use integration and developing the town into an efficient sub-regional centre. The SDF also identifies a number of settlements for upgrading and transformation into sustainable human settlements. These include Emabhanoyini, Thembalihle, etc.

An efficient sub-regional centre.

Map 4: SDF map



7 IMPLEMENTATION PLAN

SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

Key Challenge	Obj . Ref	Objective	Strategies	Performance Indicator	Baseline	5 Year Target					Target & yr (if outside 5 yr period)	Budget (R) ('000)	Source	Responsibility (In Municipality)
						Yr 1 13/14	Yr 2 14/15	Yr 3 15/16	Yr 4 16/17	Yr 5 17/18				
						✓								
						✓								
						✓								
						✓								
						✓								

FINANCIAL VIABILITY AND SOCIAL MANAGEMENT														
Key Challenge	Obj . Ref	Objective	Strategies			5 Year Target								
				Performance Indicator	Baseline	Yr 1 13/14	Yr 2 14/15	Yr 3 15/16	Yr 4 16/17	Yr 5 17/18	Target & yr (if outside 5 yr period)	Budget (R) ('000)	Source	Responsibility (In Municipality)
COMMUNITY AND SOCIAL SERVICES														
Key Challenge	Obj . Ref	Objective	Strategies	Performance Indicator		5 Year Target								
					Baseline	Yr 1 13/14	Yr 2 14/15	Yr 3 15/16	Yr 4 16/17	Yr 5 17/18	Target & yr (if outside 5 yr period)	Budget (R) ('000)	Source	Responsibility (In Municipality)
						✓								

MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT														
Key Challenge	Obj . Ref	Objective	Strategies	Performance Indicator	5 Year Target									
					Baseline	Yr 1 13/14	Yr 2 14/15	Yr 3 15/16	Yr 4 16/17	Yr 5 17/18	Target & yr (if outside 5 yr period)	Budget (R) ('000)	Source	Responsibility (In Municipality)
		To improve institutional and organizational capacity	Develop and implement and effective organogram	Adopted Organogram		✓								

8 FINANCIAL PLAN

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The country is currently recovering from the downturn in the economy due to the recession in the last four years. According to the National Treasury Budget Circular No 58, it states that the growth in the economy had slowed down from 4.5% to a revised 3.1% in 2011. Unemployment has increased from 21.8% in 2008 to 25.7% in 2011. As a result of this, a conservative approach needs to be adopted when forecasting future revenues and developing future financial plans.

Consumers who are the biggest contributor of the financial resources find themselves in a position where it is difficult for them to meet their daily needs. It is therefore critical that in order to make the Integrated Development Plan (IDP) a credible document, that financial resources are obtained and allocated to prioritized projects in order to ensure that service delivery occurs. By developing financial strategies and making use of the limited financial resources available, projects can be funded, service delivery would occur and consumer confidence and satisfaction would be achieved.

The municipality has put together a financial plan, in order to:

- To ensure a close planning and budgeting link;
- To inform municipal budgeting over tier;
- To facilitate inter-governmental alignment with regard to capital requirements and sources of funding;
- Assess financial management arrangement and financial strategy; and
- To outline revenue and expenditure forecast.
- The financial plan is an integral component of the IDP and addresses:
 - Establishing financial management systems and efficient, effective internal audit systems.
 - Funding availability over a 3- 5year planning period

The balancing of this limiting factor relating to income with objectives established in terms of the IDP.

8.1 MUNICIPAL BUDGET OVERVIEW

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Mayor is tasked with co-ordinating the processes for preparing the budget, reviewing the Integrated Development Plan (IDP) and budget related policies. The Accounting officer, as per S68 of the MFMA, is required to assist the mayor in developing and implementing the budgetary process.

Financial Overview: Year 0			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income:			
Grants	61028000	74508000	65408235
Taxes, Levies and tariffs	58140513	47140513	46236323
Other	179718871	178260036	173941400
Sub Total	298887384	299908549	285585958
Less: Expenditure	302260451	296351393	286303871
Net Total*	-3373067	3557156	-717913
Operating Ratios			
Detail			
Employee Cost	22%		
Repairs & Maintenance	3%		
Finance Charges & Impairment	1%		

8.2 THREE (3) YEAR MUNICIPAL BUDGET

Below is a table that shows the quarterly expenditure of each grant:

On receiving the audit opinion, annually, from the Auditor General, uMtshezi municipality council deliberates on the auditor's report and provides the response to the Auditor General. Over and above this, mechanisms are put in place to prevent the same incidents recurring within the municipality.

The municipality has a functional Audit Committee, which also functions as a Performance Audit Committee. The Audit Committee deliberates on annual performance of the municipality and reports to Council. Thereafter Umtshezi full Council adopts the annual report. The Umtshezi Municipality received an unqualified report for the Financial Year 2009/2010. The following is the full report of the auditor general together with the Umtshezi Manager's responses.



ACTION PLAN FOR AUDIT QUERIES UMTSHEZI MUNICIPALITY- 2013/2015

Audit Report paragraph number/Finding	Action plan	Implementation / (Target) Date	Accountable Executive	Status
1. Commitments not completely disclosed in the annual financial statements	Training will be provided to all relevant Finance staff. A Contract Register will be compiled that will indicate all the commitments. Contracts and Work in Progress will be monitored monthly and updated on the Contract Register and the Venus system.	15 February 2014 7 February 2014	CFO, All directors CFO, All directors CFO, All directors	Commenced Commenced Commenced
2. Accruals not completely disclosed in the annual financial statements.	Training will be provided to all relevant Finance staff. Retention creditor's will be disclosed in the half-year and year-end financial statements; All monies received and not used will be accounted for as liability (Unexpended grants). All services rendered/goods received by the end of the reporting period will be accounted for.	15 February 2014 10 February 2014 31 July 2014 31 December 2013 30 June 2014	CFO CFO CFO CFO	Done for half year end
3. Irregular expenditure of R12.8 million.	Council as per section 32 of the MFMA will investigate irregular expenditure of R12.8 million, as reported.	26 February 2014	Council Municipal	To be done before year end

Audit Report paragraph number/Finding	Action plan	Implementation / (Target) Date	Accountable Executive	Status
	<p>Irregular expenditure of R12.8 million will be dealt as per the Council Resolution taken in this regard.</p> <p>KZN Provincial Treasury has seconded a resource to provide training and support to the SCM Unit, which will encompass ensuring inter alia that: We obtain three written quotations for all the goods or services purchased for less than R200 000; All goods or services procured above R200 000 and long-term are competitive bids; The preference point system is always applied in the procurement of goods and services above R30 000. Review all expenditure from 1 July 2013 to date, to identify other incidences of irregular expenditure to report to EXCO/Council to investigate and for them to be dealt with as per Council resolution.</p>	<p>1 December 2013</p> <p>Ongoing</p>	<p>Manager (MM)</p> <p>MM</p> <p>CFO</p>	<p>Done</p>
4. Litigation in process against the municipality (Street vendor - R300,000)	This matter has been reported to Council and is currently followed up by management	Ongoing	MM	Ongoing
5. Litigation in	This matter has been	Ongoing	MM	Ongoing

Audit Report paragraph number/Finding	Action plan	Implementation / (Target) Date	Accountable Executive	Status
process against the municipality (Construction company – R2,76 m)	reported to Council and is currently under investigation.			
5. Material underspending of grants	A Procurement Plan has been compiled and will be monitored monthly and progress, delays reported to the MM/EXCO. All directors with projects will be required to motivate planning delays, and the CFO will report on SCM delays on project procurement/expenditure. A spending report will be submitted to the MM, CFO and EXCO monthly.	Immediate (30 June 2014) (Monthly by the 10 th working day)	All directors	Done Done for July – December 2013
6. Material losses of electricity	A load monitoring system (SCADA) will be introduced; Metering system will be improved. Meter reading in June each year for consumer consumption will be aligned with the ESCOM reading as far as possible. Illegal connections will be monitored	24 February 2014 8 December 2013 June 2014 Immediate (Ongoing)	Senior Manager: Electrical (Cyril Moodley)	Commenced
7. Material impairment	Indigent management and debt collection process will be reviewed and improved, where possible.	Monthly	CFO	Done monthly
8. Going concern Unspent grant	We will review our cash flow management and	Ongoing	CFO	Ongoing

Audit Report paragraph number/Finding	Action plan	Implementation / (Target) Date	Accountable Executive	Status
monies not cash backed Material impairment of debtors	credit control processes to improve investments and debt collection. We will consider revenue enhancement strategies to maximize revenue opportunities.			
9. Achievement of planned targets: 10 out of 42 targets not achieved	Refer actions referred to in paragraph 14 above. Under-performance will be monitored on a quarterly basis and corrective measures will be implemented and monitored.	Refer to paragraph 14. Quarterly	Refer to paragraph 14. MM / All HOD's Mayor PAC	Done Quarters 1 and 2
Procurement and Contract Management				
10. Proc < R200k	Refer actions referred to in paragraph 8 above.	Refer Implementation/Target dates, Accountable Executive and Status in paragraph 8 above.		
11 Proc > R200k				
12. Awards to suppliers whose tax matters in order				
13. Preference points system not applied				
Annual financial statements				
14. The financial statements submitted for auditing were not in all material respects in terms of section 122. (1) of the MFMA. Material misstatements identified by the	Interim financial statements for the six months ended 31/12/2013 will be compiled, which Internal Audit, will review, together with the supporting working papers. A financial statement preparation plan will be compiled. Internal Audit will also	2/01/2014 (28/02/2014	CFO	Corrected in the interim financial statements

Audit Report paragraph number/Finding	Action plan	Implementation / (Target) Date	Accountable Executive	Status
auditors were not adequately corrected and were not supported by full and proper records, which resulted in the financial statements receiving a qualified opinion.	review the year-end draft financial statements together with the supporting working papers. Both the six-month and year-end financial statements will be submitted to the Audit Committee for review.			
Expenditure management				
15. Reasonable steps not taken to prevent irregular expenditure as required by section 62.(1)(d) of the MFMA.	Refer actions referred to in paragraph 8 above.	Refer Implementation/Target dates, Accountable Executive and Status in paragraph 8 above.		
Internal control				
16. Leadership: The MM did not exercise adequate oversight over financial reporting, compliance with procurement and expenditure management, and internal control.	Refer actions referred to in paragraphs 8 and 31 above.	Refer Implementation/Target dates, Accountable Executive and Status in paragraphs 8 and 31 above.		
17. Financial management: Management has not implemented adequate controls over the	A checklist will be developed to monitor internal controls.	28 February	CFO	Done

Audit Report paragraph number/Finding	Action plan	Implementation / (Target) Date	Accountable Executive	Status
preparation of the financial statements to ensure that it complies with the accounting standards. Adequate review and monitoring was not exercised over supply chain management was not undertaken.				
Investigations in progress				
18. Cheque fraud	This matter has been reported to Council and is currently under investigation	28 February	CFO	Ongoing
19. iKwezi Hostel	This matter has been reported to Council and is currently under investigation	1 March	PECS Director	Ongoing

8.3 OTHER MUNICIPAL PROJECTS

UMTSHEZI MUNICIPALITY MUNICIPAL CIVIL DEPARTMENT PROJECT REPORT 2013-2015

Civil Prioritized Projects for the financial year 2015/2016

PROJECT DESCRIPTION	AREA	PROJECT NO	WARD NO
Rehabilitation of Alfred Street Phase 2	Estcourt CBD	CIV1	4
Ngodini Bridge	Weenen	CIV2	8
Tarring of Mabhaloni Road 1.5 km	Mabhalonini	CIV3	9
Mabholonini Community Hall	Mabhalonini	CIV4	9
DSR (Sporting Facility)	Wembezi	CIV5	1
KwaMasuku Creche	Wembezi	CIV6	2
Mahlabathini Creche	Weenen	CIV7	5
Emadulaneni Creche	Weenen	CIV8	7
Vukelani creche	Vukelani	CIV9	3
Msuluzi Creche	Colenso	CIV10	8
Chiverly Creche	Chirvely	CIV11	8
Milton Farm Creche	Milton Farm	CIV12	8

PRIORITISED PROJECTS FOR THE 2016/2017 FINANCIAL YEAR

PRIORITY No:	PROJECT No:	PROJECT NAME	WARD	COUNCILLOR	PROJEC VALUE
1.	CV13	Mimosadale Bus and Taxi Route (Multi-Year)	09	BD Dlamini	5 million
2.	CV14	Ngodini Community Hall	08	Z Zwane	2,4 million
3.	CV14	Black Top	02	BA Dlamini	2 million
4.	CV15	Pedestrian Bridge Collita	04	U Chetty	3,5 million
5.	CV16	Gravel Road	05	SM Mlambo	1,7 million
6.	CV17	Heavyland Crèche	08	Z Zwane	900 000,00
7.	CV18	Khwezi crèche	09	BD Dlamini	900 000,00
8.	CV19	Mshayazafe Black Top	09	BD Dlamini	900 000,00
9.	CV20	Black Top	01	BS Dladla	2 million
10.	CV21	Forderville Sports Complex	04	U Chetty	2,5 million
11.	CV22	Thembalihle Crèche	06	B Buckus	900 000,00
12.	CV23	Msobotsheni Community Hall	07	TC Dubazane	2,4 million
13.	CV24	Emahhashini Community Hall	03	SD Magubane	2,6 million

PROJECTS WITH APPROVED APA'S

PRIOROTY No:	PROJECT NUMBER	PROJECT NAME	WARD No:	COUNCILLOR	PROJECT VALUE
1.	2009MIGFK234171534	Ingavusu Gravel Road	05	SM Mlambo	R1 416 261,89
2.	2009MIGFK234173357	Wembezi D Section Gravel Road	02	BA Dlamini	R1 275 513,26
3.	2006MIGFK234173348	Madulaneni Gravel Road	07	Tc Dubazane	R3 964 516,96

UMTSHEZI MUNICIPALITY ELECTRICITY DEPARTMENT PROJECT REPORT – 2013 TO 2015

Component / Department	Project Name	Description	Completion Date	Progress	Ward
	Sub 57 Phase I	Upgrade of Main Substation including: 33 KV Cabling from O/H line to Sub 57 New 20MVA Transformer 33 KV switchyard including civil works and 33 KV equipment 11 KV panel extension etc	July 2013	<p><i>Transformer 20MVA completed ,expected delivery on Tuesday 18 February 2014</i></p> <p><i>Civil Work completed</i></p>	3
	Sub 57 Phase II	Upgrade of Main Substation including: 33 KV Cabling from O/H line to Sub 57 New 20MVA Transformer 33 KV switchyard including civil works and 33 KV equipment 11 KV panel extension etc	Expected June 2014	<ul style="list-style-type: none"> - 33 Kv Circuit Breakers delivered and installed - 33 Kv Cables delivered to site, to be installed by 28 March 2014 - VT Delivered and Installed - Claim for R 5,2 Million received 	3

Component / Department	Project Name	Description	Completion Date	Progress	Ward
	Wembezi Substation	Upgrade of Main Substation including: 15 MVA Transformer 33 KV switchyard including civil works and 33 KV equipment 11 KV panel extension etc	Expected September 2014	<i>Work in Progress</i>	
	Esigodlweni Electrification Project Phase 1	751 Houses to be electrified	Date for completion 31 August 2012 316 Connections Completed in Phase 1	<i>Completed Phase 1</i>	6
	Esigodlweni Electrification Project Phase 2	435 Houses to be electrified	200 Connections to be Completed in Phase 2 Date for completion 31 July 2014	<i>Work in progress</i>	6

Component / Department	Project Name	Description	Completion Date	Progress	Ward
	Esigodlweni Electrification Project Phase 3	235 Houses to be electrified	235 Connections to be Completed in Phase 3 Date for completion 31 July 2015	<i>Planning in progress</i>	6

OTHER ELECTRICITY PROJECTS ARE IN PROGRESS BY ESKOM IN THE FOLLOWING PLACES:

- Mthaniya
- Vumbu
- Msuluzi
- Ekuthuleni
- Clouston Farm
- Emantanjeni
- Phofini
- Embabani
- Nhlawe #2

ELECTRIFICATION MASTERPLAN PROJECT: AREAS TO BE ELECTRIFIED

PROJECT NAME	DESCRIPTION	WARD NUMBER	ELECTRIFICATION YEAR	PROJECT NUMBER	ACTUAL NOT CONNECTED – CURRENT
Cornfields	Tribal Area	6 & 8	2014	EMP1	222
Mimosadale Phase 2	Tribal Area	9	2015	EMP2	15
Rensbergdrift	Village	6	2015	EMP3	400
Paapkuilsfontein	Sub Place	6	2015	EMP4	0
Wembezi A - Rectification	Township	1 & 3	2015	EMP5	0
River Crescent	Sub Place	4	2015	EMP6	0
Nhliwe Owl & Elephant	Village	5	2015	EMP7	136
Msobetsheni	Village	7	2015	EMP8	290
Thembalihle	Village	6 & 8	2015	EMP9	37
Mshayazaffe	Tribal Area	9	2015	EMP10	2
Brynbella	Village	3		EMP11	52
Vulekani	Village	3	2015	EMP12	27
Ward 7 Mngwenya in-situ	Tribal Area	7		EMP13	834
Wembezi D Section Extention	Township	3		EMP14	0
Lindelani / Lochsloy	Tribal Area	1	2015	EMP15	33
Ekulasheni	Village	5		EMP16	14
PROJECT NAME	DESCRIPTION	WARD NUMBER	ELECTRIFICATION YEAR	PROJECT NUMBER	ACTUAL NOT CONNECTED - CURRENT

Ngodini	Tribal Area	8	2015	EMP17	356
Msuluzi	Tribal Area	8	2015	EMP18	291
Chieverly	Village	8	2015	EMP19	195
Kwa Matshesi	Tribal Area	9	2015	EMP20	68
Ntunda	Tribal Area	9	2015	EMP21	76
Ezintabeni	Tribal Area	9	2015	EMP22	14
Mhlumba	Tribal Area	7	2015	EMP23	532
Nkaseni	Tribal Area	5	2015	EMP24	146
Heaviland	Village	8	2015	EMP25	28
Stockton (in Fills)	Village	3	2015	EMP26	6
Mngwenya	Village	9	2015	EMP27	100
TOTAL NUMBER OF CONNECTIONS TO BE COMPLETED					3874

**PLANNED PROJECTS: ELECTRICITY DEPARTMENT –
2016 to 2019**

NAME OF PROJECT	REF. NO.	FUNDER	WARD	REMARK	Cash Flow		
					2016/17	2017/18	2018/19
1. Replace Substation 13 Building and Equipment	ISE1	Department of Energy / Council	Industrial	Building is falling apart, outdated Switchgear and Equipment, no further place for expansion.		5 000 000	
2. Sub 39 Upgrade: Switchgear protection, HV bay	ISE 2	Department of Energy / Council	Industrial	Replace Transformers and Equipment, Main Substation for Industrial Area		12 000 000	R 0,00
3. Replace Circuit Breakers	ISE 3	Umtshezi Municipality	All Wards	For Operational purposes, self energising Circuit Breakers needs to be purchased to replace existing in Wembezi Sub, Sub 1, Sub 6	200 000	370 000	200 000
4. Street lights	ISE 4	Umtshezi Municipality					
5. Street lights: Wembezi A+C, Rensburg Drift and High Mast in Rensburg Drift	ISE 5	Umtshezi Municipality / MIG	All Wards	Streetlight improvements, change over to load management system lighting	200 000	350 000	350 000
6. Protection Upgrade for Substation	ISE 6	Umtshezi Municipality	All Wards	Protection Upgrade for Circuit Breakers, conformance to regulations, Improve Security and Monitoring	500 000	500 000	500 000
7. Electrification Projects - Eskom Area of Supply	ISE 7	INEP	All Wards	Electrify Houses in Eskom area of Supply, Council to prioritize list, Consultants to be engaged	10 000 000	15 700 000	15 000 000
8. Sub station 6 Upgrade (CBD)	ISE 8	Department of Energy / Council		Replace Board and Switchgear, Phase 1 & Phase 2	3 800 000	3 200 000	R 0,00
9. Scada system	ISE 9	Umtshezi Municipality	All Wards	Implementation of Supervisor Control and Data Acquisition System	200 000	2 000 000	500 000
10. Crane Truck Purchase 20 Ton	ISE 10	Umtshezi Municipality	All Wards	Crane Truck required for lifting of transformer, pole and equipment that cannot be lifted by hand, 5 ton truck required	1 000 000	R 0,00	R 0,00
11. 11 KV Upgrade	ISE 11	Umtshezi Municipality	All Wards	Changeover from 6600 Volts to 11 000 Volts, this will require transformer upgrades, contractors and consultants involvement		2 500 000	1 500 000
12. Replacement of Cherry Picker Truck	ISE12	Umtshezi Municipality	All Wards		800 000		800 000
13. Electrical Workshop Warehouse Building	ISE 13	Umtshezi Municipality	All Wards	Warehouse enclosure to house all electrical equipment and stock, including cables, transformers and switchgear that are being either stolen or damaged by weather exposure	2 000 000	R 0,00	R 0,00
14. Tools and Equipment	ISE14	Umtshezi Municipality		Tools required for daily electrical work	350 000,	300 000	300 000
15. Undertake street light improvement	ISE15	Umtshezi Municipality	All Wards	Entrances to all wards and CBD Streetlight Poles and Fitting Replacement	500 000	500 000	500 000

Total:	R 20 550 000,00	R 44 420 000,00	R 21 650 000,00
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HOUSING PROJECTS

PROJECT NAME	FUNDER	VALUE	STATUS
Rensbergdrift	Dept of Human Settlements	R77 868 000.00	Awaiting Tranche 1 approval
Mimosadale	Dept of Human Settlements	R77 868 000.00	Tranche 1 approved. Busy with Tranche 2 – end August 2014
Owl and Elephant	Dept of Human settlements	R41 114 000,00	Implementing agent appointed – Tranche 1 approved
Msobetsheni	Dept of Human settlements	R41 114 000,00	Implementing agent appointed – Tranche 1 approved
Cornfields	Dept of Human settlements	R165 000 000,00	IA appointed – Conditional approval approved
Paapkuilsfontein	Dept of Human settlements	No budget yet	IA appointed. Busy with Stage 1. Awaiting for acquisition of land to be sorted out by DoHS
Mshayazafe	Dept of Human settlements	No budget yet	Waiting for authority to advertise project
Wembezi A Section	Dept of Human settlements	R75m	R75m approved in October 2013 waiting for Dohs to appoint IA.
Kwanobamba 1&2	Dept of Human settlements	No budget yet	Project enrolled for rectification – waiting for NHBRC report
Nhlawe	Dept of Human settlements	No budget yet	
Brewitt Park Phase 2	Private/Dohs	FLISP	
Thembalihle	Dept of Human settlements	No budget yet	IA busy with Stage 1.

PROJECTS FROM PARKS

PROJECT NAME AND AREA	FUNDER	COST	START & END DATE
Street Cleaning – Weenen, Estcourt and Wembezi	Department of Environmental Affairs	R 5 000 000	01 April 2014 – 31 December 2015
Rehabilitation of existing parks 1. Wembezi park 1 and 2. Caravan park - Town	Department of Environmental Affairs	R 8 800 000	01 April 2014 – 31 December 2015

8.4 SECTOR DEPARTMENT PROJECTS

PROJECTS FROM THE DEPARTMENT OF TRANSPORT

YEAR	ROAD NO	WARD	AREA	INKOSI	TRIBAL AUTHORITY	BUDGET
2011/12	Regravelled D 488	5	Colenso	PLO	PLO	R2 752 203
2011/12	Regravelled D 741	9	Mshayazafe	PLO	PLO	R1 500 000
2011/12	Regravelled P 170	9	Midway/Lowlands	PLO	PLO	R3 738 880
2011/12	Regravelled P 280	7	Weenen	Mthembu	AbaThembu Tribe	R3 300 000
2011/12	Causeway P 176	5	Weenen	Mthembu	AbaThembu Tribe	R4 000 000
2012/13	Upgrade D 489	8	Cornfields	Mabaso	Abantungwa Tribe	R15 000 000

2012/13	Regravelling Nontethe Ext	5	Weenen	Mthembu	Abantungwa	R15 000 000
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2012/13	Regravelling L 471 Cornfields	8	Cornfields	Mabaso	Abantungwa	R5 000 000
2012/13	New Road KwaVumbu	5	Colenso	PLO	PLO	R1 100 000
2012/13	New Road D 385 Ext	9	Willow Grange	PLO	PLO	R2 250 000
2012/13	New Road Mcfie	8	Cornfields	Mabaso	Abantungwa	R15 000 000
2012/13	Causeway P 176 A	5	Weenen	Mthembu	Abathembu	R4 100 000
2012/13	Reseal P1-9	5	Colenso	PLO	PLO	R6 200 000
2012/13	Reseal P12-2	5	Weenen	Mthembu	Abathembu	R33 000 000
2012/13	Reseal P12-3	5	Weenen	Mthembu	Abathembu	R15 820 000
2013/14	Regravelling D 500	9	Estcourt	PLO	PLO	R1 500 000
2013/14	Regravelling P 170	9	Midway/Lowlands	PLO	PLO	R3 600 000
2013/14	Regravelling P176	5	Weenen	Mthembu	Abathembu	R2 400 000
2013/14	Causeway P 176 B	5	Weenen	Mthembu	Abathembu	R3 500 000

SANITATION PROJECTS

PROJECT NAME	LOCALITY/ WARD	RESPONSIBLE DEPT	FUNDER	MUNICIPAL CAPITAL
VIP latrines (Sanitation)	5	Technical	MIG	R30 517 148
VIP Latrines (Sanitation)	7	Technical	MIG	R19 501 748
Water Supply Scheme	KwaNobamba Ezitendeni (5,7,8)	Technical	MIG	R31 700 000
VIP Latrines (Sanitation)	4	Technical	MIG	R10 450 000
VIP Latrines (Sanitation)	4	Technical	MIG	R10 547 000

9 ANNUAL OPERATIONAL PLAN (DRAFT SDBIP)2015/16

As ANNEXTURE on this document

10 ORGANIZATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM

10.1 OBJECTIVES OF THE UMTSHEZI MUNICIPALITY PERFORMANCE MANAGEMENT SYSTEM

As indicated in the previous section, the Municipality's OPMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives set out in the IDP. The system should fulfill the following objectives:

- Facilitate increased accountability: The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.
- Support municipal oversight: The performance management system should support oversight by the Council and community over the performance of the Executive Committee and Municipal Administration.
- Facilitate learning and improvement: The OPMS should facilitate learning in order to enable the Municipality to improve delivery.
- Provide early warning signals: It is important that the system ensures decision-makers are timeously informed of performance related risks, so that they can facilitate intervention where necessary.
- Facilitate decision-making: The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

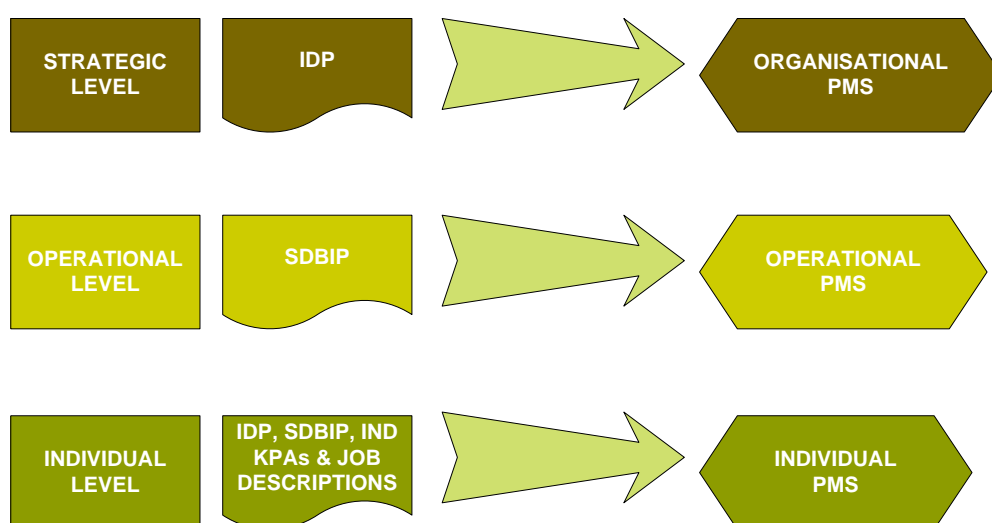
The objectives listed above are not exhaustive, but summarise the intended benefits of the system. These intended objectives should be used to evaluate and review the performance management system on a regular basis.

10.2 ANNUAL PERFORMANCE REPORT OF THE PREVIOUS YEAR

Attached as an Annexure to this document.

10.3 MANAGING AND MEASURING PERFORMANCE AT VARIOUS LEVELS

Performance management can be applied to various levels within any organisation. The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.



STRATEGIC (ORGANISATIONAL) PERFORMANCE LINKED TO THE INTEGRATED DEVELOPMENT PLAN (IDP) OF A MUNICIPALITY

At this level the performance of the municipality is measured and managed against the progress made in achieving the strategic objectives as set out in the integrated development plan (IDP) of the municipality. This is done on the basis of key performance indicators and timespan the measures set at this level should be of a strategic and mostly long-term nature with an outcome and impact focus. The measures set for the Municipality at organisational level must be captured in an organisational scorecard structured in terms of the preferred performance management model of the Municipality.

DEPARTMENTAL INDICATORS LINKED TO OUTPUTS IN THE PERFORMANCE AGREEMENTS

The performance of individuals is measured against personal performance targets, which are set in accordance with job descriptions and their roles linked to the strategy of the municipality and the business plans (SDBIP's) of the operational units (departments) at a municipality. At section 57 level the 2006 Municipal Performance Regulations for Municipal Managers and Managers reporting directly to Municipal Managers has put in place a legislative framework for linking the individual performance of section 57 Managers to the strategy and operations of a municipality. By cascading performance measures from organisational to operational to individual level, both the IDP and the SDBIP form the link to individual performance management. This ensures that performance management at the various levels relate to one another, which is a requirement of the 2001 Municipal Planning and Performance Regulations. The MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget.

INDIVIDUAL PERFORMANCE LINKED TO OPMS AND THE INDIVIDUALS KEY PERFORMANCE AREAS AND JOB DESCRIPTIONS

The validity of the strategy of the municipality and the extent to which it is successfully implemented is also measured and managed at operational (sometimes also referred to as departmental) level. At this level this is achieved by measuring the progress made with service delivery and implementing the budget of the municipality through service delivery measures and targets captured in the annual service delivery and budget implementation plan (SDBIP) of a municipality. Given that a SDBIP has a one-year timespan the measures set at this level should be of a operational and short to medium-term nature with an input (budget) and output (service delivery) focus.

11 ANNEXURES

NO	SECTOR PLAN	COMPLETED? Y / N	ADOPTED? Y / N	ADOPTION DATE	DATE OF NEXT REVIEW
1	SDBIP 2016/17	Council adopted the SDBIP in May 2016.	Y	2016	JUNE 2017
2	Spatial Development Framework	The Plan is reviewed band adopted by the Council in 2016	Y	2016	JUNE 2017
3	Local Economic Development Strategy	The Plan was reviewed	Y	2016	JUNE 2017
4	Housing Sector Plan	The Plan is reviewed band adopted by the Council in 2016	Y	2016	JUNE 2017
5	Disaster Management Sector Plan	Plan was reviewed	Y	2016	2017

APPENDIX B - CONTACT DETAILS**UMTSHEZI MUNICIPALITY**

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